

**Semi-annual Financial Statements of**

**CWB MCLEAN & PARTNERS  
DIVERSIFIED FIXED INCOME POOL**

**June 30, 2024**

*(unaudited)*

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

These interim financial statements are as at June 30, 2024 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 30, 2024

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

## Statements of Financial Position

(in Canadian dollars)

As at	( <i>unaudited</i> ) June 30, 2024	( <i>audited</i> ) December 31, 2023
<b>Assets</b>		
Investments, at fair value (note 6)	\$ 452,972,773	\$ 405,597,322
Subscriptions receivable	118,408	42,210
Interest receivable	2,957,069	2,844,217
Dividends receivable	241,551	420,882
<b>Total assets</b>	<b>456,289,801</b>	<b>408,904,631</b>
<b>Liabilities</b>		
Bank overdraft	3,563,658	3,725,576
Redemptions payable	139,857	13,749
<b>Total liabilities</b>	<b>3,703,515</b>	<b>3,739,325</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 452,586,286</b>	<b>\$ 405,165,306</b>
<b>Number of redeemable units outstanding (note 7)</b>	<b>48,432,805</b>	<b>45,166,966</b>
<b>Net assets attributable to holders of redeemable units per unit</b>	<b>\$ 9.34</b>	<b>\$ 8.97</b>

See accompanying notes to financial statements.

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



Matthew Evans  
Chief Executive Officer



Mary Falconer  
Senior Vice President, Finance & Chief Accountant

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Statements of Comprehensive Income

(in Canadian dollars)

For the periods ended June 30

(*unaudited*)

	2024	2023
Dividends	\$ 3,392,090	\$ 3,274,183
Interest for distribution purposes	8,791,739	7,246,506
Securities lending	21,355	49,132
Changes in fair value of investments and derivatives		
Net realized loss on sale of investments	(207,466)	(709,143)
Net foreign exchange gain on cash	12,737	11,543
Net other gain (loss)	101,154	(85,414)
Change in unrealized appreciation (depreciation) of investments	16,471,457	(2,757,753)
<b>Total income</b>	<b>28,583,066</b>	<b>7,029,054</b>
Bank overdraft charges	453	1,285
Custodial transaction fees (note 5)	30,162	30,290
Fund valuation costs (note 5)	19,250	13,117
Transaction costs (note 5)	–	4,343
Unitholder recording fees (note 5)	33,746	19,833
Withholding taxes	287,231	101,678
<b>Total expenses</b>	<b>370,842</b>	<b>170,546</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	<b>\$ 28,212,224</b>	<b>\$ 6,858,508</b>
<b>Increase in net assets attributable to holders of redeemable units per unit</b>	<b>\$ 0.61</b>	<b>\$ 0.15</b>

See accompanying notes to financial statements.

## **CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME 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>	
	2024	2023
Net assets attributable to holders of redeemable units at beginning of period	\$ 405,165,306	\$ 370,543,805
Increase in net assets attributable to holders of redeemable units	28,212,224	6,858,508
Distribution to holders of redeemable units from:		
Net investment income	(11,173,807)	(9,843,735)
Redeemable unit transactions:		
Proceeds from redeemable units issued	34,607,955	30,606,599
Reinvestments of distributions to holders of redeemable units	4,491,524	3,753,883
Redemption of redeemable units	(8,716,916)	(10,564,094)
Net increase from redeemable unit transactions	30,382,563	23,796,388
Net increase in net assets attributable to holders of redeemable units	47,420,980	20,811,161
Net assets attributable to holders of redeemable units at end of period	\$ 452,586,286	\$ 391,354,966

See accompanying notes to financial statements.

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Statements of Cash Flows

(in Canadian dollars)

For the periods ended June 30

(unaudited)

	2024	2023
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 28,212,224	\$ 6,858,508
Adjustments for:		
Foreign exchange gain on cash	(12,737)	(11,543)
Net realized loss on sale of investments	207,466	709,143
Net change in unrealized (appreciation) depreciation of investments	(16,471,457)	2,757,753
Purchases of investments	(137,659,587)	(84,938,800)
Proceeds from sale of investments	106,548,127	60,462,494
Interest receivable	(112,852)	(228,347)
Dividends receivable	179,331	31,563
Net cash used in operating activities	(19,109,485)	(14,359,229)
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units	(6,682,283)	(2,584,058)
Proceeds from issuance of redeemable units	34,531,757	30,154,309
Amounts paid on redemption of redeemable units	(8,590,808)	(10,115,637)
Net cash provided by financing activities	19,258,666	17,454,614
Foreign exchange gain on cash	12,737	11,543
Net increase in cash during the period	149,181	3,095,385
Overdraft, beginning of the period	(3,725,576)	(3,133,987)
Overdraft, end of period	\$ (3,563,658)	\$ (27,059)

### Supplemental disclosure of cash flow information

Interest received	\$ 8,678,887	\$ 7,018,159
Dividends received, net of withholding taxes	\$ 3,284,190	\$ 3,204,068

See accompanying notes to financial statements.

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio

(in Canadian dollars)

As at June 30, 2024

Description	Par Value	Average Cost	Fair Value
<b>Canadian Bonds:</b>			
Government of Canada & Guaranteed (8.07%):			
Government of Canada, Real Return 4.25%, 2026/12/01	3,000,000	\$ 8,728,162	\$ 5,847,420
Government of Canada, Real Return 4.00%, 2031/12/01	3,765,000	11,101,923	7,722,053
Government of Canada, 4.00%, 2041/06/01	5,000,000	5,775,593	5,327,782
Government of Canada, Real Return 1.50%, 2044/12/01	3,900,000	6,295,551	5,222,412
Government of Canada, Real Return 0.50%, 2050/12/01	13,000,000	<u>15,495,783</u>	<u>12,420,720</u>
		<u>47,397,012</u>	<u>36,540,387</u>
Corporate (37.99%):			
Air Canada, Callable, 4.63%, 2029/08/15	2,000,000	2,000,000	1,938,750
ARC Resources Ltd., Callable, 2.35%, 2026/03/10	3,000,000	2,769,000	2,883,828
ARC Resources Ltd., Callable, 3.47%, 2031/03/10	5,000,000	5,061,720	4,584,097
Bank of Montreal, Variable Rate, Callable, 3.09%, 2037/01/10	4,000,000	4,449,382	4,503,705
Bank of Nova Scotia, Series '1', Variable Rate, Callable, 3.70%, 2081/07/27	9,300,000	8,249,875	7,631,745
Canadian Imperial Bank of Commerce, Variable Rate, Perpetual, 7.37%, 2049/12/31	5,000,000	4,960,000	5,088,395
Canadian Tire Corp. Ltd., Callable, 6.50%, 2028/04/13	1,800,000	2,141,586	1,890,411
Daimler Truck Finance Canada Inc., 5.18%, 2025/09/19	4,000,000	4,005,340	4,011,467
Daimler Truck Finance Canada Inc., 2.46%, 2026/12/15	6,000,000	5,851,320	5,697,653
Daimler Truck Finance Canada Inc., 5.77%, 2028/09/25	4,000,000	4,141,840	4,170,080
Enbridge Inc., Variable Rate, Callable, 5.38%, 2077/09/27	5,000,000	4,665,730	4,869,784
Enbridge Inc., Variable Rate, Callable, 5.00%, 2082/01/19	5,000,000	4,950,000	4,486,413
Fairfax Financial Holdings Ltd., Callable, 4.25%, 2027/12/06	5,450,000	5,423,284	5,359,895
Fairfax Financial Holdings Ltd., Callable, 4.23%, 2029/06/14	4,100,000	4,056,302	3,993,240
Fairfax Financial Holdings Ltd., Callable, 3.95%, 2031/03/03	6,000,000	6,012,600	5,655,972
Ford Credit Canada Co., 7.00%, 2026/02/10	4,500,000	4,513,050	4,623,599
Ford Credit Canada Co., Callable, 5.58%, 2031/05/23	4,000,000	3,987,200	4,029,488
Intact Financial Corp., Callable, 2.85%, 2027/06/07	6,000,000	5,902,800	5,753,301
Intact Financial Corp., 6.40%, 2039/11/23	3,000,000	3,915,630	3,485,059
Intact Financial Corp., Callable, 2.95%, 2050/12/16	6,000,000	4,124,100	4,326,295
Intact Financial Corp., Variable Rate, Callable, 4.13%, 2081/03/31	5,800,000	5,332,625	5,466,722
Intact Financial Corp., Variable Rate, Callable, 7.34%, Callable, 7.34%, 2083/06/30	4,000,000	3,975,000	4,087,359

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2024

Description	Par Value	Average Cost	Fair Value
<b>Canadian Bonds (continued):</b>			
Corporate (continued):			
Mercedes-Benz Finance Canada Inc., 5.14%, 2026/06/29	750,000	\$ 750,000	\$ 766,640
Mercedes-Benz Finance Canada Inc., 5.12%, 2028/06/27	4,000,000	4,003,190	4,037,225
National Bank of Canada, Series '1', Variable Rate, Callable, 4.30%, 2080/11/15	3,000,000	3,121,500	2,904,759
National Bank of Canada, Variable Rate, Callable, 4.05%, 2081/08/15	5,000,000	5,018,500	4,190,989
Pembina Pipeline Corp., Variable Rate, Callable, 4.80%, 2081/01/25	8,200,000	8,008,500	7,367,474
Rogers Communications Inc., Callable, 3.65%, 2027/03/31	5,000,000	5,394,390	4,867,514
Rogers Communications Inc., Callable, 3.75%, 2029/04/15	3,000,000	2,805,000	2,874,948
Rogers Communications Inc., Variable Rate, Callable, 5.00%, 2081/12/17	4,800,000	4,672,500	4,650,242
Royal Bank of Canada, 3.37%, 2025/09/29	3,000,000	2,868,210	2,947,335
Royal Bank of Canada, Series 'BT', Variable Rate, Perpetual, 4.20%, 2049/12/31	4,000,000	4,020,000	3,341,280
Sagen MI Canada Inc., Variable Rate, Callable, 4.95%, 2081/03/24	2,000,000	2,012,500	1,789,646
Sobeys Inc., Series 'D', 6.06%, 2035/10/29	1,000,000	1,037,500	1,029,173
Sobeys Inc., 6.64%, 2040/06/07	2,800,000	3,010,238	3,068,453
Toronto-Dominion Bank (The), Variable Rate, Callable, 4.86%, 2031/03/04	1,600,000	1,607,720	1,597,500
Toronto-Dominion Bank (The), Series '28', Variable Rate, Perpetual, 7.23%, 2049/10/31	4,000,000	4,000,000	4,067,480
Toronto-Dominion Bank (The), Series '27', Variable Rate, Perpetual, 5.75%, 2049/12/31	6,000,000	5,855,000	5,619,810
Toronto-Dominion Bank (The), Series '1', Variable Rate, Callable, 3.60%, 2081/10/31	7,000,000	6,849,000	5,831,497
Toronto-Dominion Bank (The), Variable Rate, Callable, 7.28%, 2082/10/31	2,000,000	2,000,000	2,036,246
TransCanada Pipelines Ltd., Callable, 5.42%, 2026/03/10	3,000,000	3,000,000	2,998,952
TransCanada Trust, Series '2017-A', Variable Rate, Callable, 4.65%, 2077/05/18	5,000,000	4,618,940	4,792,645
TransCanada Trust, Variable Rate, Callable, 4.20%, 2081/03/04	3,000,000	<u>2,520,000</u>	<u>2,620,138</u>
		<u>177,661,072</u>	<u>171,937,204</u>
Total Canadian Bonds (46.06%)		<u>225,058,084</u>	<u>208,477,591</u>
<b>International Bonds:</b>			
China (0.88%):			
Alibaba Group Holding Ltd., Convertible, Callable, 0.50%, 2031/06/01	3,000,000	<u>4,031,983</u>	<u>3,976,151</u>
France (4.03%):			
BNP Paribas SA, Variable Rate, Callable, 2.54% 2029/07/13	6,500,000	6,497,360	5,950,230
BNP Paribas SA, Variable Rate, Perpetual, 4.63% 2049/12/31	7,500,000	9,547,288	8,694,722



## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2024

Description	Par Value	Average Cost	Fair Value
<b>International Bonds (continued):</b>			
France (continued):			
Credit Agricole SA, Variable Rate, Perpetual, 4.75% 2049/12/31	3,000,000	\$ 3,752,623 <u>19,797,271</u>	\$ 3,577,633 <u>18,222,585</u>
Italy (3.29%):			
Intesa Sanpaolo SPA, Variable Rate, Callable, 4.95%, 2042/06/01	5,000,000	5,020,738	5,153,788
Intesa Sanpaolo SPA, Variable Rate, Perpetual, 7.70%, 2049/12/31	5,000,000	6,244,152	6,883,861
Intesa Sanpaolo SPA, Variable Rate, Callable, 7.78%, 2054/06/20	2,000,000	<u>2,642,078</u>	<u>2,880,459</u>
		<u>13,906,968</u>	<u>14,918,108</u>
Luxemburg (0.10%):			
Mitsubishi UFJ Investor Services & Banking (Luxembourg) SA, Floating Rate, Callable, 8.17%, 2099/12/30	2,500,000	<u>1,233,888</u>	<u>439,955</u>
Netherlands (1.20%):			
AerCap Holdings NV, Variable Rate, Callable, 5.88%, 2079/10/10	4,000,000	<u>4,917,841</u>	<u>5,434,402</u>
United States (16.31%):			
Ally Financial Inc., Variable Rate, Perpetual, 4.70%, 2049/12/31	4,000,000	4,312,556	4,840,292
Anheuser-Busch InBev Finance Inc., Callable, 4.32%, 2047/05/15	1,450,000	1,459,569	1,327,250
Bank of America Corp., Variable Rate, Callable, 3.41%, 2025/09/20	4,200,000	4,207,860	4,187,043
Citigroup Inc., 4.09%, 2025/06/09	4,000,000	4,019,800	3,964,740
Citigroup Inc., Variable Rate, Callable, 5.07%, 2028/04/29	4,250,000	4,250,000	4,323,653
Citigroup Inc., Series 'M', Variable Rate, Perpetual, 6.30%, 2049/12/31	3,000,000	3,889,822	4,116,020
Edison International, Series 'A', Variable Rate, Perpetual, 5.38%, 2049/12/31	5,000,000	6,314,201	6,682,036
Goldman Sachs Group Inc. (The), Variable Rate, Callable, 2.60%, 2027/11/30	7,000,000	6,842,850	6,631,940
ILFC E-Capital Trust I, Variable Rate, Callable, 7.16%, 2065/12/21	6,500,000	6,392,353	7,268,009
ILFC E-Capital Trust II, Variable Rate, Callable, 7.41%, 2065/12/21	4,000,000	4,248,195	4,562,669
JPMorgan Chase & Co., Variable Rate, Callable, 2.53%, 2041/11/19	5,000,000	4,597,157	4,700,317
JPMorgan Chase & Co., Series 'FF', Variable Rate, Perpetual, 5.00%, 2049/12/31	3,000,000	3,919,435	4,095,987
Molson Coors International L.P., Callable, 3.44%, 2026/07/15	2,500,000	2,464,700	2,439,525
Wells Fargo & Co., 2.49%, 2027/02/18	5,000,000	4,840,000	4,746,750

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2024

Description	Par Value / Number of Shares	Average Cost	Fair Value
<b>International Bonds (continued):</b>			
United States (continued):			
Wells Fargo & Co., Variable Rate, Callable, 2.57%, 2026/05/01	6,000,000	\$ 5,806,200	\$ 5,870,790
Wells Fargo & Co., 2.49%, 2027/02/18	5,000,000	4,840,000	4,746,750
Wells Fargo & Co., Variable Rate, Callable, 5.08%, 2028/04/26	4,000,000	<u>4,002,000</u>	<u>4,044,080</u>
		<u>71,566,698</u>	<u>73,801,101</u>
Total International Bonds (25.81%)		<u>115,454,649</u>	<u>116,792,302</u>
<b>Canadian Preferred Equities:</b>			
Consumer Staples (0.71%):			
George Weston Ltd., 5.20%, Preferred, Series 'III', Perpetual	14,600	\$ 375,658	\$ 299,300
George Weston Ltd., 4.75%, Preferred, Series, 'V', Perpetual	16,500	414,480	309,375
Loblaw Cos. Ltd., 5.30%, Preferred, Series 'B', Perpetual	120,000	<u>3,000,000</u>	<u>2,628,000</u>
		<u>3,790,138</u>	<u>3,236,675</u>
Energy (2.71%):			
AltaGas Ltd., Series 'A', Variable Rate, Perpetual	152,400	2,330,022	2,811,780
Enbridge Inc., Preferred, Series '9', Variable Rate, Perpetual	20,000	426,600	359,800
Enbridge Inc., 4.00%, Preferred, Series 'H', Perpetual	23,300	445,729	442,700
Pembina Pipeline Corp., Preferred, Class 'A', Series '21', Variable Rate, Perpetual	118,000	2,899,780	2,671,520
Pembina Pipeline Corp., Preferred, Class 'A', Series '3', Variable Rate, Perpetual	16,800	380,016	328,944
Pembina Pipeline Corp., Preferred, Series '9', Variable Rate, Perpetual	50,000	1,250,000	1,170,000
TC Energy Corp., Preferred, Series '9', Variable Rate, Perpetual	50,000	793,400	913,500
TC Energy Corp., Series '1', Variable Rate, Perpetual	20,900	419,672	341,924
TC Energy Corp., Series '4', Floating Rate, Perpetual	31,000	449,190	434,000
TC Energy Corp., Series '7', Variable Rate, Perpetual	143,600	<u>2,913,882</u>	<u>2,793,020</u>
		<u>12,308,291</u>	<u>12,267,188</u>

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2024

Description	Number of Shares	Average Cost	Fair Value
<b>Canadian Preferred Equities (continued):</b>			
Financial Services (9.66%):			
Brookfield Corp., Preferred, Series '13', Floating Rate, Perpetual	439,250	\$ 5,682,707	\$ 4,915,208
Brookfield Corp., Preferred, Series '44', Variable Rate, Perpetual	25,000	625,500	593,750
Brookfield Corp., 6.45%, Preferred, Series '51', Perpetual	110,900	2,104,117	1,580,325
Brookfield Office Properties Inc., 4.60%, Preferred, Class 'AAA', Series 'T', Perpetual	307,000	6,203,180	4,451,500
Brookfield Office Properties Inc., Preferred, Class 'CC', Variable Rate, Perpetual	85,000	2,212,500	1,296,250
Brookfield Property Split Corp., Preferred, Class 'A', Series '3', Perpetual	44,490	1,122,483	1,157,185
Fairfax Financial Holdings Ltd., Preferred, Series 'E' Variable Rate, Callable	106,700	1,805,418	1,823,503
Fairfax Financial Holdings Ltd., Preferred, Series 'H', Floating Rate, Perpetual	53,400	1,143,721	979,089
Fairfax Financial Holdings Ltd., Preferred, Series 'M', Variable Rate, Perpetual	136,500	3,402,435	3,311,490
Great-West Lifeco Inc., Preferred, Series 'N', Variable Rate, Perpetual	122,000	2,623,200	1,805,600
Great-West Lifeco Inc., 5.25%, Preferred, Series 'S', Perpetual	75,000	1,859,750	1,515,000
Intact Financial Corp., Preferred, Class 'A', Series '3', Variable Rate, Perpetual	20,500	510,245	429,065
Intact Financial Corp., Series '1', Variable Rate, Perpetual	273,000	5,570,797	5,143,320
Manulife Financial Corp., Preferred, Series '11', Variable Rate, Perpetual	25,000	625,250	597,000
Power Corp. of Canada, 5.80%, Preferred, Series 'C', Perpetual	13,140	336,121	294,073
Power Financial Corp., 5.50%, Preferred, Series 'R', Perpetual	95,000	2,382,100	2,014,000
Royal Bank of Canada, Preferred, Series 'BD', Variable Rate, Perpetual	118,000	2,950,900	2,857,960
Royal Bank of Canada, 4.90%, Preferred, Series 'BH', Perpetual	100,000	2,500,000	2,400,000
Royal Bank of Canada, 4.90%, Preferred, Series 'BI', Perpetual	11,000	288,750	261,800
Sun Life Financial Inc., Class 'A', Series '10R', Variable Rate, Perpetual	21,800	505,978	439,052
Sun Life Financial Inc., Preferred, Class 'A', Series '9QR', Floating Rate, Perpetual	100,000	2,194,000	1,770,000
Toronto Dominion Bank (The), Preferred, Series '24', Variable Rate, Perpetual	125,000	3,125,000	3,156,250
Toronto Dominion Bank (The), Preferred, Series '3', Variable Rate, Perpetual	18,200	452,088	457,912
Toronto Dominion Bank (The), Preferred, Series '7', Variable Rate, Perpetual	18,500	464,350	449,550
		<u>50,690,590</u>	<u>43,698,882</u>

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2024

Description	Number of Shares	Average Cost	Fair Value
<b>Canadian Preferred Equities (continued):</b>			
Information Technology (0.09%):			
Thomson Reuters Corp., Preferred, Series 'II', Floating Rate	30,100	\$ 465,045	\$ 409,360
Telecommunication Services (3.29%):			
BCE Inc., 4.65%, Preferred, Class 'A', Series '19', Perpetual	23,500	493,500	364,250
BCE Inc., Preferred, Series 'A', Series 'AG', Variable Rate, Perpetual	111,200	2,141,948	1,722,488
BCE Inc., Preferred, Series 'AA', Variable Rate, Perpetual	24,320	512,665	406,873
BCE Inc., Preferred, Series 'AC', Variable Rate, Perpetual	264,200	3,913,988	4,557,450
BCE Inc., Preferred, Series 'AF', Variable Rate, Perpetual	101,400	2,090,662	1,683,240
BCE Inc., 3.39%, Preferred, Series 'T', Perpetual	200,000	4,840,955	3,384,000
BCE Inc., Preferred, Series 'Y', Variable Rate, Perpetual	163,300	3,148,827	2,751,605
		<u>17,142,545</u>	<u>14,869,906</u>
Utilities (1.59%):			
Brookfield Renewable Power Preferred Equity Inc., 5.00%, Series '6', Perpetual	60,000	1,231,200	1,074,000
Canadian Utilities Ltd., Preferred, Series 'FF', Variable Rate, Perpetual	100,000	2,500,000	2,355,000
Canadian Utilities Ltd., Preferred, Series 'Y', Variable Rate, Perpetual	21,500	501,810	432,580
CU Inc., 4.60%, Preferred, Series '1', Perpetual	17,100	431,775	301,131
CU Inc., 3.80%, Series '4', Perpetual	190,000	3,394,300	2,599,200
Fortis Inc., Preferred, Series 'K', Variable Rate, Perpetual	22,500	508,500	440,775
		<u>8,567,585</u>	<u>7,202,686</u>
Total Canadian Preferred Equities (18.05%)		<u>92,964,194</u>	<u>81,684,697</u>
<b>International Preferred Equities:</b>			
United States (2.49%):			
AGNC Investment Corp., Preferred, Series 'E', Variable Rate, Perpetual	164,960	5,191,227	5,670,162
AGNC Investment Corp., Preferred, Series 'G', Variable Rate, Perpetual	69,790	2,394,931	2,295,751
JPMorgan Chase & Co., 4.20%, Preferred, Series 'MM' Perpetual	125,375	3,939,909	3,275,021
		<u>11,526,067</u>	<u>11,240,934</u>
Total International Preferred Equities (2.49%)		<u>11,526,067</u>	<u>11,240,934</u>
<b>International Equities:</b>			
United States (1.33%):			
AGNC Investment Corp.	462,000	7,840,335	6,030,975
Total International Equities (1.33%)		<u>7,840,335</u>	<u>6,030,975</u>

## CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

### Schedule of Investment Portfolio (continued)

(in Canadian dollars)

As at June 30, 2024

Description	Par Value	Average Cost	Fair Value
<b>Short-Term Investments:</b>			
Short-Term Investments - CAD			
Canadian Imperial Bank of Commerce, Demand Deposit, Variable Rate	23,954,342	\$ 23,954,342	\$ 23,958,785
Short-Term Investments - USD			
CIBC Mellon Trust, Demand Deposit, Variable Rate	3,498,732	4,784,902	4,787,489
Total Short-Term Investments (6.35%)		28,739,244	28,746,274
Adjustment for transaction costs included in average cost		(140,383)	–
Total Investments (100.09%)		\$ 481,442,190	\$ 452,972,773
Other net liabilities (-0.09%)			(386,487)
Total Net Assets Attributable to Holders of Redeemable Units (100.00%)			\$ 452,586,286

See accompanying notes to financial statements.

# **CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL**

## Notes to Financial Statements

(in Canadian dollars)

As at June 30, 2024

*(unaudited)*

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### **General:**

CWB McLean & Partners Diversified Fixed Income Pool (the “Fund”) is an open-end unit trust created under the laws of the Province of Alberta and governed by the Second Amended and Restated Declaration of Trust dated April 1, 2022. The address of the Fund’s registered office is 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 and portfolio manager in each of Canada’s provinces. CWB Wealth is the administrative manager, investment advisor and promoter of the Fund.

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 generate returns through income and maximize the total returns by investing in debt and debt-like securities from governments and corporations from around the world.

The assets of the Fund will be managed within certain specified guidelines to ensure adequate portfolio diversification. There is a maximum of 50% holding in global securities and minimum 50% holding in Canadian securities. There is a maximum of 95% of holdings in investment grade corporate bonds, 20% in non-investment grade corporate bonds, a maximum 30% in preferred shares and a maximum of 12% in cash and cash equivalents.

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 provided for by the Fund.

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 2

(in Canadian dollars)

As at June 30, 2024

(unaudited)

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## 2. Basis of presentation and measurement:

The financial statements have been prepared in compliance with IFRS Accounting Standards (“IFRS”). The policies applied in the financial statements are based on IFRS issued and outstanding as of June 30, 2024. 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 30, 2024.

## 3. Material accounting policy information:

(a) Financial instruments:

(i) Classification and measurement:

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, interest receivable, dividends receivable, redemptions payable, and bank overdraft are initially measured at fair value and are classified and measured subsequently 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 DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 3

(in Canadian dollars)

As at June 30, 2024

*(unaudited)*

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### 3. Material accounting policy information (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 gain/loss 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 DIVERSIFIED FIXED INCOME POOL

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

As at June 30, 2024

(unaudited)

### 3. Material accounting policy information (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

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 5

(in Canadian dollars)

As at June 30, 2024

(unaudited)

### 3. Material accounting policy information (continued):

using valuation techniques as determined pursuant to procedures established by the Fund Manager.

(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 net unrealized appreciation (depreciation) on investments and derivatives" in the Statement of Comprehensive Income.

(d) Cash:

Cash is comprised of deposits and overdraft 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 in net assets attributable to holders of redeemable units per unit in the Statement of Comprehensive Income is calculated by dividing the increase in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period.

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 6  
(in Canadian dollars)

As at June 30, 2024

(unaudited)

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### 3. Material accounting policy information (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.

#### (h) New accounting standards

Effective January 1, 2023, the Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1). The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in note 3 in certain instances.

### 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.

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 7

(in Canadian dollars)

As at June 30, 2024

(unaudited)

## 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.

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, 2024 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.

	Currency Exposure	As a % of Net Assets
June 30, 2024		
U.S. Dollar	\$ 100,337,271	22.17%
Euro	439,955	0.10%
December 31, 2023		
U.S. Dollar	\$ 90,620,864	22.37%
Euro	300,986	0.07%

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 8

(in Canadian dollars)

As at June 30, 2024

(unaudited)

## 6. Financial risk management (continued):

### Market risk (continued):

#### (a) Currency risk:

As at June 30, 2024, 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 \$1,008,000 (December 31, 2023 – \$909,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

#### (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 Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's exposure to interest rate risk is concentrated in its investment in bonds. There are no interest-bearing financial liabilities.

The table below summarizes the Fund's exposure to interest rate risks which presents the Fund's assets at fair values, categorized by the earlier of contractual re-pricing or maturity dates.

Debt Securities by Maturity Date	June 30, 2024
Less than 1 year	\$ 43,870,356
1 - 3 years	83,430,706
3 - 5 years	52,408,205
Greater than 5 years	174,306,900
Total	\$ 354,016,167

Debt Securities by Maturity Date	December 31, 2023
Less than 1 year	\$ 34,480,572
1 - 3 years	81,678,845
3 - 5 years	46,300,835
Greater than 5 years	151,843,535
Total	\$ 314,303,787

As at June 30, 2024, had the prevailing interest rates increased or decreased by 100 basis points, with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$33,251,000 (December 31, 2023 – \$28,731,000). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 9

(in Canadian dollars)

As at June 30, 2024

(unaudited)

## 6. Financial risk management (continued):

### Market risk (continued):

#### (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 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.

As at June 30, 2024, 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 \$990,000 (December 31, 2023 – \$913,000) 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 fair value of debt securities includes consideration of the creditworthiness of the debt issuer. The carrying amount of bonds, derivatives, and other financial assets as presented on the Schedule of Investment Portfolio represents the maximum credit risk exposure as at June 30, 2024.

As at June 30, 2024 and December 31, 2023, the Fund's credit risk exposure of investments in debt securities are grouped by credit ratings as listed in the following table:

Debt Securities by credit rating	June 30, 2024	December 31, 2023
AAA	17.09%	10.15%
A	13.73%	12.77%
BBB	51.09%	55.38%
Below BBB	18.09%	21.70%
Total	100.00%	100.00%

Credit risk arising on transactions for shares 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 shares purchased or the portfolio assets sold. If either party does not meet its obligations, then the transaction will fail.

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 10

(in Canadian dollars)

As at June 30, 2024

(unaudited)

## 6. Financial risk management (continued):

### Credit risk (continued):

The Fund lends portfolio securities from time to time in order to earn additional income. The Fund enters into securities lending transactions with approved counterparties through the securities lending program with the custodian, CIBC Mellon Global Securities Services Company.

Credit risk associated with these transactions is considered minimal as all counterparties have approved creditworthiness based on Office of the Superintendent of Financial Institutions guidelines and the Fund is indemnified by the custodian for collateral credit or market loss.

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

### 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 which 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, 2024 and December 31, 2023 in valuing the Fund's investments carried at fair values:

June 30, 2024	Level 1	Level 2	Level 3	Total
Fixed income	\$ –	\$ 325,269,893	\$ –	\$ 325,269,893
Equities	98,956,606	–	–	98,956,606
Short-term investments	28,746,274	–	–	28,746,274
Total	\$ 127,702,880	\$ 325,269,893	\$ –	\$ 452,972,773

December 31, 2023	Level 1	Level 2	Level 3	Total
Fixed income	\$ –	\$ 302,670,826	\$ –	\$ 302,670,826
Equities	91,293,535	–	–	91,293,535
Short-term investments	11,632,961	–	–	11,632,961
Total	\$ 102,926,496	\$ 302,670,826	\$ –	\$ 405,597,322

# CWB MCLEAN & PARTNERS DIVERSIFIED FIXED INCOME POOL

Notes to Financial Statements, page 11

(in Canadian dollars)

As at June 30, 2024

(unaudited)

## 6. Financial risk management (continued):

### Fair value of financial instruments (continued):

There were no transfers between the three levels during the period. The carrying values of subscriptions receivable, interest receivable, dividends receivable, bank overdraft and redemptions 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. 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.

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 applicable periods ended June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024
Redeemable units outstanding, beginning of period	45,166,966
Redeemable units issued, for proceeds	3,722,354
Redeemable units issued on reinvestment of distributions	481,965
Redeemable units redeemed	(938,480)
Redeemable units outstanding, end of period	48,432,805

  

	December 31, 2023
Redeemable units outstanding, beginning of period	41,950,599
Redeemable units issued, for proceeds	5,268,254
Redeemable units issued on reinvestment of distributions	965,514
Redeemable units redeemed	(3,017,401)
Redeemable units outstanding, end of period	45,166,966