

# CWB Onyx Diversified Fixed Income Fund

## Interim Management Report of Fund Performance

For the period ended June 30, 2024

### Disclosure

This interim management report of fund performance contains financial highlights but does not contain either interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-855-292-9655, by writing to us at Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6, by visiting our website at [www.cwbwealth.com](http://www.cwbwealth.com), or by visiting SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



### Caution Regarding Forward Looking Information

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “may”, “plans”, “potential”, “proposed”, or future or conditional verbs such as “will”, “should”, “would” and “could”, and similar forward-looking expressions or negative versions thereof. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement.

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Fund’s predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, and that its assumptions may not be correct.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. A variety of factors, many of which are beyond the Fund’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, volatility of equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or illness that affect local, national or international economies, and other risks described in the Fund’s current simplified prospectus. The foregoing list of factors is not exhaustive.

Forward-looking statements are issued in good faith and may be modified without notice. Before making any investment decisions, investors and others relying on forward-looking statements should carefully consider the foregoing factors and the uncertainties and risks they contain. We caution readers not to place undue reliance on these forward-looking statements. Unless required by securities law, we do not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by or on behalf of the Fund. The forward-looking statements contained in this document are presented for the purpose of assisting readers in understanding the Fund’s financial position and results of operations as at and for the periods ended on the dates presented, and may not be appropriate for other purposes.

# Management Discussion of the Performance of the CWB Onyx Diversified Fixed Income Fund

## Results of Operations

In the first six months of 2024 (the “period”), the CWB Onyx Diversified Income Fund’s (the “Fund”) net assets decreased by \$1,185,479 to \$181,583,080. This reflects a decrease of \$3,031,911 from investment performance, net withdrawals of \$577,209, and distributions to unitholders of \$3,640,181.

Series A of the Fund returned 1.00% over the period versus the Fund’s internal benchmark (the “Fund Benchmark”), The Fund benchmark is the FTSE Canada Universe Bond Index (the “Broad-Based Benchmark”), which returned (0.38%) over the period. Unlike the Fund Benchmark and the Broad-Based Benchmark, the Fund’s return is calculated after the deduction of fees and expenses. Returns for Series O of the Fund may vary, largely due to differences in fees and expenses.

The year opened with markets expecting rapid and substantial rate cuts from the Bank of Canada (“BoC”). Over the course of the period, market expectations have become much more aligned with BoC communication suggesting that rate cuts will be slow and steady. Inflation appears to have come under control, without substantial risk of a recession. The BoC cut interest rates by 0.25% in June.

Volatility in the bond market has been elevated as investor expectations for rapid rate cuts became more measured over the period. The FTSE Canada Universe Overall Bond Index return was slightly negative for the first six months of 2024. The Fund experienced some losses in longer-dated bonds as longer-term yields corrected upwards. The Fund experienced some gains in shorter-dated bonds as shorter-term yields declined with actual and anticipated bank rate cuts.

Credit spreads declined slightly over the period. Our Fund was overweight corporate bonds which benefited from the spreads declining, helping performance.

## Recent Developments

With inflation figures moderating, the BoC should continue to cut rates over the next 12 to 18 months. As such, we have increased the Fund duration (interest-rate sensitivity). We have exposure to shorter-dated bonds to capture capital gains, and longer-dated bonds to capture higher coupons.

## Related Party Transactions

CWB Wealth Management Ltd. (“CWB WM” or “we”) serves as trustee, manager, portfolio advisor, and principal distributor of the Fund. The Fund pays CWB WM a management fee as compensation for its services. Refer to the section titled ‘Management Fees’ for a summary of fees paid to CWB WM.

The CWB Onyx Managed Solution Funds, comprised of the CWB Onyx Conservative Solution, the CWB Onyx Balanced Solution and the CWB Onyx Growth Solution, invests in series O units of the Fund. As at June 30, 2024, 3.10% of the Series O units of the Fund are held by the CWB Onyx Conservative Solution, 7.78% of the Series O units of the Fund are held by the CWB Onyx Balanced Solution and 3.43% of the Series O units of the Fund are held by the CWB Onyx Growth Solution.

CWB WM is party to a participating dealer agreement (the “Dealer Agreement”) with Canadian Western Financial Ltd. (“CWF”), a subsidiary of CWB WM. Pursuant to the Dealer Agreement, CWB WM pays CWF a monthly trailing commission equal to 1/12<sup>th</sup> of 0.50% of the net asset value attributable to units of the Fund held by CWF clients. This trailing commission is paid directly by CWB WM and does not increase the management fee paid to CWB WM by the Fund.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s performance for the past five years and for the period ended June 30, 2024.

**CWB Onyx Diversified Income Fund’s Series A Net Assets per Unit<sup>1</sup>**

	June 30, 2024	2023	2022	2021	2020	2019
Net assets, beginning of year	\$9.13	\$8.86	\$10.14	\$10.62	\$10.24	\$9.86
<b>Increase (decrease) from operations:</b>						
Total revenue	\$0.18	\$0.37	\$0.35	\$0.26	\$0.23	\$0.30
Total expenses	(\$0.05)	(\$0.10)	(\$0.10)	(\$0.11)	(\$0.11)	(\$0.11)
Realized gains (losses) for the year	(\$0.10)	(\$0.11)	(\$0.23)	(\$0.04)	(\$0.04)	\$0.02
Unrealized gains (losses) for the year	\$0.07	\$0.37	(\$1.02)	(\$0.45)	\$0.39	\$0.37
Total increase (decrease) from operations <sup>2</sup>	\$0.10	\$0.53	(\$1.00)	(\$0.34)	\$0.47	\$0.58
<b>Distributions</b>						
From income (excluding dividends)	\$0.12	\$0.25	0.23	\$0.17	\$0.17	\$0.20
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions <sup>3</sup>	\$0.12	\$0.25	\$0.23	\$0.17	\$0.17	\$0.20
Net assets as at last date of the period shown	\$9.11	\$9.13	\$8.86	\$10.14	\$10.62	\$10.24

## CWB Onyx Conservative Solution Series O Net Assets per Unit<sup>1</sup>

	June 30, 2024	2023	2022	2021	2020	2019
Net assets, beginning of year	\$9.17	\$8.90	\$10.20	\$10.67	\$10.33	\$9.98
<b>Increase (decrease) from operations:</b>						
Total revenue	\$0.18	\$0.37	\$0.34	\$0.32	\$0.34	\$0.35
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	(\$0.10)	(\$0.11)	(\$0.22)	(\$0.05)	(\$0.05)	\$0.03
Unrealized gains (losses) for the year	\$0.07	\$0.39	(\$1.05)	(\$0.36)	\$0.37	\$0.31
Total increase (decrease) from operations <sup>2</sup>	\$0.15	\$0.65	(\$0.93)	(\$0.09)	\$0.66	\$0.69
<b>Distributions</b>						
From income (excluding dividends)	\$0.19	\$0.37	\$0.35	\$0.32	\$0.32	\$0.35
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions <sup>3</sup>	\$0.19	\$0.37	\$0.35	\$0.32	\$0.32	\$0.35
Net assets as at last date of the period shown	\$9.13	\$9.17	\$8.90	\$10.20	\$10.67	\$10.33

<sup>1</sup> This information is derived from the Fund's unaudited interim or audited annual financial statements (as applicable). All figures presented are prepared in accordance with IFRS, which requires the Fund to measure the fair value of its investments based on close market prices, where the close market price falls within the bid-ask spread, which is consistent with the method used in measuring the net asset value for transactions with unitholders.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

<sup>3</sup> Distributions were paid in cash, reinvested in additional units of the Fund or both.

## Ratios and Supplemental Data – Series A

	June 30, 2024	2023	2022	2021	2020	2019
Total Net asset value (000's) <sup>1</sup>	\$12,905	\$13,657	\$12,916	\$13,165	\$15,618	\$19,967
Number of units outstanding <sup>1</sup>	1,416,859	1,495,374	1,457,442	1,298,798	1,470,142	1,950,715
Management expense ratio <sup>2</sup>	1.07%	1.09%	1.06%	1.06%	1.00%	1.04%
Management expense ratio before waivers or absorptions	1.14%	1.12%	1.10%	1.10%	1.12%	1.12%
Trading expense ratio <sup>3</sup>	-	-	-	-	0.01%	-
Portfolio turnover rate <sup>4</sup>	17.08%	15.78%	32.35%	29.80%	47.88%	17.73%
Net asset value per unit	\$9.11	\$9.13	\$8.86	\$10.14	\$10.62	\$10.24

## Ratios and Supplemental Data – Series O

	June 30, 2024	2023	2022	2021	2020	2019
<b>Total Net asset value (000's)<sup>1</sup></b>	\$168,678	\$169,112	\$167,867	\$183,129	\$142,096	\$88,902
<b>Number of units outstanding<sup>1</sup></b>	18,465,568	18,439,093	18,866,476	17,951,500	13,316,026	8,609,566
<b>Management expense ratio<sup>2</sup></b>	-	-	-	-	-	-
<b>Management expense ratio before waivers or absorptions</b>	-	-	-	-	-	-
<b>Trading expense ratio<sup>3</sup></b>	-	-	-	-	-	-
<b>Portfolio turnover rate<sup>4</sup></b>	17.08%	15.78%	32.35%	29.80%	47.88%	17.73%
<b>Net asset value per unit</b>	\$9.13	\$9.17	\$8.90	\$10.20	\$10.67	\$10.33

<sup>1</sup> This information is provided as at June 30 of the year shown unless otherwise stated.

<sup>2</sup> Management expense ratio (“MER”) is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>4</sup> The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund’s portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Management Fees

The Fund pays CWB WM an annual management fee of 1.00% of the net asset value of Series A units of the Fund. The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. The Fund’s management fees were used by CWB WM to pay for the cost of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sales of investment portfolio, providing other services, and compensating CWB WM for acting as the trustee of the Fund. CWB WM also used the management fee to fund trailing commissions and any other compensation to CWF whose clients invest in the Fund. A further breakdown of the management fee is not available for the interim period.

Series O management fee is negotiated and paid directly by each investor. Series O management fee is not to exceed the Series A management and advisory fee of the Fund.

# Past Performance

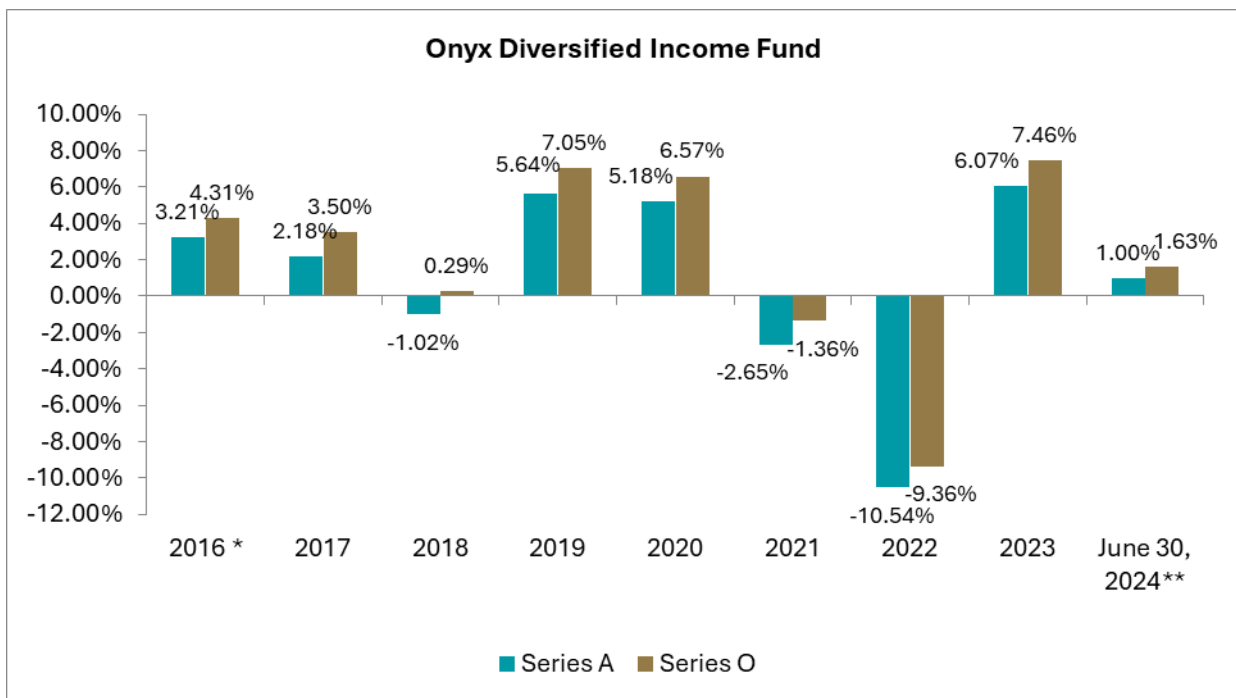
The past performance of the Fund is set out in the following charts. The performance information shown assumes that all distributions made by the Fund in the years shown were reinvested in additional securities of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, or other optional charges, or income taxes payable that would have reduced returns or performance.

Mutual fund returns are not guaranteed. Please note that past performance is not indicative of future performance.

## Year-by-Year Returns

The following bar chart shows the Fund’s annual performance in each of the periods shown and illustrates how the Fund’s performance has changed from period to period.

The chart below shows, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.



\* Return from February 10, 2016 (commencement of operations) to December 31, 2016 not annualized.

\*\*Return from January 1, 2024 to June 30, 2024 not annualized.

## Summary of Investment Portfolio

The following table summarizes how the Fund's assets were distributed across various sectors as at June 30, 2024.

Portfolio Breakdown	% of Net Asset Value
Cash	1.2
Other net assets	0.3
Domestic bonds and debentures	
Corporate	50.4
Provincial	23.3
Federal	17.0
Foreign bonds and debentures	6.2
Preferred Shares	1.6
<b>Total</b>	<b>100.0</b>

## Top 25 Holdings

The following table lists the 25 largest holdings of the Fund (based on percentage of net asset values of the Fund) as at June 30, 2024.

Security	Maturity	%
1.000% Government of Canada	06/01/2027	7.6
4.250% Canada Housing Trust	12/15/2028	6.7
3.450% Province of Alberta, Unsecured Note	12/01/2043	4.5
3.250% Province of Quebec, Unsecured Note	09/01/2032	4.0
5.000% Province of Saskatchewan, Unsecured Note	03/05/2037	3.9
3.200% Province of British Columbia, Unsecured Note	06/18/2044	3.3
4.600% Province of Ontario, Debenture	06/02/2039	3.3
7.100% Greater Toronto Airports, Medium Term Note	06/04/2031	2.7
1.646% Honda Canada Finance Inc., Senior Unsecured Note	02/25/2028	2.6
2.237% Manulife Financial Corp., Subordinated Debt	05/12/2030	2.4
0.000% Province of Quebec, Unsecured Note	12/01/2043	2.4
5.650% Epcor Utilities, Sr. Unsecured Note	11/16/2035	2.3
3.190% Bank of Montreal, Senior Unsecured Note	03/01/2028	1.9
5.100% Peel Ontario, Senior Unsecured Note	06/29/2040	1.9
3.244% Omers Realty Corp., Senior Unsecured Note	10/04/2027	1.8
3.327% Co-operators Financial Services Ltd., Senior Unsecured Note	05/13/2030	1.3
4.810% Pembina Pipeline Corp., Senior Unsecured Note	03/25/2044	1.3



6.560% Rogers Communications Inc., Senior Unsecured Note	03/22/2041	1.3
4.750% Telus Corp., Senior Unsecured Note	01/17/2045	1.3
5.750% Enbridge Inc., Sr. Unsecured Note	09/02/2039	1.2
5.030% Metro Inc., Senior Unsecured Note	12/01/2044	1.2
5.610% Nova Scotia Power Inc., Senior Unsecured Note	06/15/2040	1.2
6.540% Loblaw Companies Ltd., Senior Unsecured Note	02/17/2033	1.1
7.850% Bell Canada, Senior Unsecured Note	04/02/2031	1.0
5.183% CU Inc., Senior Unsecured Note	11/16/2035	1.0

The investments and percentages may have changed by the time you purchase units of the Fund due to portfolio transactions of the Fund. The top 25 holdings are made available quarterly and may be obtained by contacting CWB WM at 1-855-292-9655 or by writing to: [info@cwwealth.com](mailto:info@cwwealth.com) CWB Wealth Management Ltd., Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6.