

Financial Statements of

WILLOUGHBY INVESTMENT POOL

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

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by Willoughby Asset Management Inc. in its capacity as the Manager of the Fund. The Fund's Manager is responsible for the information and representations contained in these financial statements.

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

On behalf of the Manager

(Signed) "Lynn Stibbard"

Date: August 18, 2023

NOTICE TO UNITHOLDERS

The Auditors of the Fund have not reviewed these interim financial statements.

Willoughby Asset Management Inc., the Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Trust's interim financial statements, this must be disclosed in an accompanying notice.

WILLOUGHBY INVESTMENT POOL

Statements of Financial Position

As at June 30, 2023 and December 31, 2022 (Unaudited)

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 3,649,635	\$ 993,165
Interest and dividends receivable	58,570	128,967
Subscriptions receivable	80,250	111,565
Investments	100,872,598	105,177,799
Receivable for investments sold	—	2,655,038
Forward contracts	—	176,640
	<u>104,661,053</u>	<u>109,243,174</u>
LIABILITIES		
Current liabilities		
Redemptions payable	109,647	40,047
Management fees payable (Note 4)	279,022	316,725
Distributions payable	255,449	271,905
Accounts payable and accrued liabilities	164,810	118,007
Payable for investments purchased	1,908,970	—
	<u>2,717,898</u>	<u>746,684</u>
Net assets, attributable to holders of redeemable units:	<u>\$ 101,943,155</u>	<u>\$ 108,496,490</u>
Net assets attributable to holders of redeemable units per class:		
Series A	\$ 2,636,126	\$ 2,803,280
Series AU\$	—	28,670
Series F	97,345,115	103,721,318
Series FU\$	1,961,914	1,943,222
	<u>\$ 101,943,155</u>	<u>\$ 108,496,490</u>
Number of redeemable units outstanding (Note 5):		
Series A	242,069	285,824
Series AU\$	—	3,062
Series F	8,648,479	10,288,117
Series FU\$	170,082	188,088
Net assets attributable to holders of redeemable units per unit per class:		
Series A	\$ 10.89	\$ 9.81
Series AU\$	—	9.36
Series F	11.26	10.08
Series FU\$	11.54	10.33

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

Approved on behalf of the Board of Directors of
Willoughby Asset Management Inc., in its capacity as Manager:

(Signed) "Lynn Stibbard" Director

WILLOUGHBY INVESTMENT POOL

Statements of Comprehensive Income (loss)

For the six-months ended June 30, 2023 and June 30, 2022 (Unaudited)

	2023	2022
Income		
Dividend income	\$ 590,552	\$ 761,778
Interest income	456,502	332,563
Foreign exchange (loss) gain	(114,824)	81,360
Net realized gain (loss) on sale of investments	5,711,651	(6,696,497)
Net change in unrealized appreciation (depreciation)	6,681,769	(36,334,303)
Other income	3,823	13
	<u>13,329,473</u>	<u>(41,855,086)</u>
Expenses		
Management fees (Note 4)	572,852	820,544
Operating costs	118,612	182,379
Commissions and other portfolio transaction costs	52,700	143,081
Withholding tax (Note 6)	48,700	60,542
Independent review committee fees	36,723	36,723
Audit fees	17,852	11,852
Custodian fees	10,759	10,759
Legal fees	—	4,775
	<u>858,198</u>	<u>1,270,655</u>
Increase (decrease) in net assets attributable to holders of redeemable units:	<u>\$ 12,471,275</u>	<u>\$ (43,125,741)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class:		
Series A	\$ 311,054	\$ (1,020,895)
Series AU\$	1,946	(9,512)
Series F	11,933,658	(41,115,569)
Series FU\$	224,617	(979,765)
	<u>\$ 12,471,275</u>	<u>\$ (43,125,741)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit (Note 7):		
Series A	\$ 1.16	\$ (3.26)
Series AU\$	0.64	(3.11)
Series F	1.26	(3.24)
Series FU\$	1.24	(3.39)

WILLOUGHBY INVESTMENT POOL

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six-months ended June 30, 2023 and June 30, 2022 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued*	Redemption of redeemable units*	Distributions to unitholders of redeemable units	Reinvestments of distributions to holders of redeemable units	Increase in net assets from operations attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2023							
Series A	\$ 2,803,280	\$ 99,494	\$ (567,121)	\$ (13,652)	\$ 3,071	\$ 311,054	\$ 2,636,126
Series AU\$	28,670	—	(30,616)	—	—	1,946	—
Series F	103,721,318	4,231,669	(22,085,678)	(504,958)	49,106	11,933,658	97,345,115
Series FU\$	1,943,222	333,451	(530,867)	(9,801)	1,292	224,617	1,961,914
	<u>\$ 108,496,490</u>	<u>\$ 4,664,614</u>	<u>\$ (23,214,282)</u>	<u>\$ (528,411)</u>	<u>\$ 53,469</u>	<u>\$ 12,471,275</u>	<u>\$ 101,943,155</u>

* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2023 were \$30,616 and \$(30,616), respectively.

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued**	Redemption of redeemable units**	Distributions to unitholders of redeemable units:	Reinvestments of distributions to holders of redeemable units	Decrease in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2022							
Series A	\$ 4,195,891	\$ 200,782	\$ (404,184)	\$ (16,703)	\$ 4,845	\$ (1,020,895)	\$ 2,959,736
Series AU\$	37,879	—	—	(158)	—	(9,512)	28,209
Series F	169,714,774	28,652,387	(38,247,002)	(682,069)	71,748	(41,115,569)	118,394,269
Series FU\$	3,937,280	782,258	(984,849)	(15,830)	2,236	(979,765)	2,741,330
	<u>\$ 177,885,824</u>	<u>\$ 29,635,427</u>	<u>\$ (39,636,035)</u>	<u>\$ (714,760)</u>	<u>\$ 78,829</u>	<u>\$ (43,125,741)</u>	<u>\$ 124,123,544</u>

** Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2022 were \$nil and \$nil, respectively.

WILLOUGHBY INVESTMENT POOL

Statements of Cash Flows

For the six-months ended June 30, 2023 and June 30, 2022 (Unaudited)

	2023	2022
Cash provided by (used in):		
Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units:	\$ 12,471,275	\$ (43,125,741)
Adjustments for non-cash items		
Commissions and other portfolio transaction costs	52,700	143,081
Foreign exchange loss (gain)	114,824	(81,360)
Net realized (gain) loss on sale of investments	(5,711,651)	6,696,497
Net change in unrealized (appreciation) depreciation	(6,681,769)	36,334,303
Change in non-cash balances		
Decrease in interest and dividends receivable	70,397	158,954
Decrease (increase) in receivable for investments sold	2,655,038	(398,191)
Increase in prepaid expenses	—	(25,372)
Decrease in management fees payable	(37,703)	(172,038)
Increase in accounts payable and accrued liabilities	46,803	6,945
Increase in payable for investments purchased	1,908,970	1,090,155
Proceeds from sale of investments	106,230,255	198,252,742
Purchase of investments	(89,407,694)	(167,691,699)
Cash provided by operating activities	<u>21,711,445</u>	<u>31,188,276</u>
Financing Activities		
Proceeds from issuances of redeemable units	4,665,313	32,149,919
Amount paid on redemption of redeemable units	(23,114,066)	(39,658,641)
Distributions to unitholders of redeemable units, net of reinvestments	(491,398)	(22,662,806)
Cash used in financing activities	<u>(18,940,151)</u>	<u>(30,171,528)</u>
Increase in cash during the period	2,771,294	1,016,748
Foreign exchange (loss) gain on cash	(114,824)	81,360
Cash, beginning of period	<u>993,165</u>	<u>8,237,137</u>
Cash, end of period	<u>\$ 3,649,635</u>	<u>\$ 9,335,245</u>
Supplemental information*		
Interest paid	\$ 7,464	\$ 4,813
Interest received	478,244	329,907
Dividends received, net of withholding taxes	590,506	862,846

*Included as a part of cash flows from operating activities

WILLOUGHBY INVESTMENT POOL

Schedule of Investment Portfolio

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian equities				
3,000	Boyd Group Services Inc.	\$ 610,051	\$ 758,250	0.74
50,000	Enbridge Inc.	2,662,632	2,462,000	2.42
21,000	Royal Bank of Canada	2,740,061	2,656,920	2.61
25,000	The Toronto-Dominion Bank	2,306,578	2,052,750	2.01
		<u>8,319,322</u>	<u>7,929,920</u>	<u>7.78</u>
Canadian exchange traded funds				
105,000	BMO Equal Weight US Banks Hedged to CAD Index ETF	2,094,864	2,167,200	2.13
75,000	CI First Asset Canadian REIT ETF	1,237,229	1,201,500	1.18
150,000	CI First Asset Enhanced Short Duration Bond ETF	1,503,990	1,423,500	1.40
180,000	CI Marret Alternative Absolute Return Bond ETF	3,766,084	3,254,400	3.19
200,000	Horizons Active Preferred Share ETF	1,546,771	1,458,000	1.43
106,500	Horizons Laddered Canadian Preferred Share Index ETF	2,046,887	2,274,840	2.23
		<u>12,195,825</u>	<u>11,779,440</u>	<u>11.56</u>
Canadian fixed income				
2,000,000	Atrium Mortgage Investment Corp. 5% 31DEC28	1,999,380	1,778,000	1.74
10,000	Bank of Montreal Travel and Leisure Callable Income Principal At Risk Notes, Series 2810 (F-Class)	1,000,006	1,009,600	0.99
10,000	BMO Callable Equity Income Notes, Series 3136 Class F	1,000,006	934,400	0.92
1,200,000	Exchange Income Corp. 5.35% 30JUN25	1,179,090	1,315,500	1.29
		<u>5,178,482</u>	<u>5,037,500</u>	<u>4.94</u>
Canadian investment funds				
145,000	CI Doubleline Total Return Bond US\$ Fund	2,946,861	2,453,400	2.41
228,111	Dynamic Equity Income Fund - Series F	2,601,361	2,520,992	2.47
100,103	Dynamic Power American Growth Fund (IP)	3,473,153	2,534,968	2.49
111,514	Dynamic Power Global Growth Class	2,500,018	2,428,456	2.38
176,876	PIMCO Monthly Income Fund Canada	2,473,690	2,220,467	2.18
50,749	TD Health Sciences Fund	2,299,214	3,579,801	3.51
45,608	TD US Mid-Cap Growth Fund	1,888,500	2,477,872	2.43
		<u>18,182,797</u>	<u>18,215,956</u>	<u>17.87</u>
U.S. equities				
18,951	AbbVie Inc.	3,706,208	3,379,762	3.32
20,000	Amazon.com Inc.	2,661,060	3,451,152	3.39
17,000	American Express Co.	3,643,728	3,920,005	3.85
18,000	BHP Group Ltd.	1,437,904	1,421,733	1.39
10,000	Cigna Corp.	3,540,498	3,714,302	3.64
2,000	Costco Wholesale Corp.	1,375,506	1,425,307	1.40
6,000	Deere & Co.	2,822,760	3,218,100	3.16
17,000	Johnson & Johnson	3,693,152	3,724,680	3.65
19,000	JPMorgan Chase & Co.	3,405,111	3,657,860	3.59
5,000	Netflix Inc.	2,153,403	2,915,383	2.86

WILLOUGHBY INVESTMENT POOL

Schedule of Investment Portfolio (continued)

As at June 30, 2023 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
U.S. equities (continued)				
17,500	Raytheon Technologies Corp.	\$ 2,288,931	\$ 2,269,219	2.23
37,175	Smith & Wesson Brands Inc.	662,839	641,679	0.63
8,000	Snowflake Inc.	1,640,854	1,863,558	1.83
4,000	Teleflex Inc.	1,301,889	1,281,500	1.26
20,000	The Coca-Cola Co.	1,669,354	1,594,264	1.56
65,000	The Kraft Heinz Co.	3,289,653	3,054,438	3.00
5,000	The Travelers Cos Inc.	1,172,101	1,149,369	1.13
4,000	UnitedHealth Group Inc.	2,671,171	2,544,893	2.50
25,000	Unity Software Inc.	1,201,536	1,436,876	1.41
70,000	Vale SA	1,426,744	1,243,484	1.22
		<u>45,764,402</u>	<u>47,907,564</u>	<u>47.02</u>
U.S. exchange traded funds				
13,000	iShares 20+ Year Treasury Bond ETF	1,786,199	1,771,402	1.74
11,500	iShares Russell 2000 ETF	2,762,836	2,850,727	2.80
80,000	VanEck Vectors Gold Miners ETF	3,404,669	3,188,529	3.13
		<u>7,953,704</u>	<u>7,810,658</u>	<u>7.67</u>
U.S. investment fund				
25,300	Utilities Select Sector SPDR Fund	2,319,905	2,191,560	2.15
	Total investments owned	99,914,437	100,872,598	98.99
	Commissions and other portfolio transaction costs	<u>(29,969)</u>	<u>—</u>	<u>—</u>
	Net investments owned	<u>\$ 99,884,468</u>	100,872,598	98.99
	Other assets, net		<u>1,070,557</u>	<u>1.01</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 101,943,155</u>	<u>100.00</u>

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

1. Reporting entity:

Willoughby Investment Pool (the "Fund") is an open-ended investment trust which was created under the laws of the Province of British Columbia pursuant to a declaration of trust dated February 16, 2016 (the "Trust Agreement"). Willoughby Asset Management Inc., a company incorporated under the laws of British Columbia, is the manager of the Fund (the "Manager"). Harbourfront Wealth Management Inc. is the portfolio advisor ("Investment Advisor") of the Fund. The Manager is responsible for approving and monitoring the Fund's various service providers, including the Investment Advisor, in accordance with the terms of the Trust Agreement. The Manager has engaged the Investment Advisor to manage the Fund's portfolio on a discretionary basis as well as the distribution of the redeemable units of the Fund. During the period, the Fund's place of business is Royal Centre, 1800 – 1055 West Georgia St., Vancouver, British Columbia V6E 3P3.

The investment objective of the Fund is to create a complete asset allocation solution to gain above average risk adjusted returns by investing in a diversified portfolio of Canadian, United States and foreign equities, bonds and exchange traded funds listed exclusively on North American stock exchanges.

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

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of financial statements and International Accounting Standard 34, Interim Financial Reporting. The Fund reports under this basis of accounting as required by Canadian Securities Legislation and Canadian Accounting Standards Board

The financial statements were authorized for issue by the Manager on August 18, 2023.

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

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

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

2. Basis of preparation (Continued):

(d) Use of estimates and judgment:

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

3. Significant accounting policies:

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

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities 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. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Fund may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Fund has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Fund may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Fair value through profit and loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income (loss) in the period in which they occur. The Fund's derivative financial assets and derivative financial liabilities and investments in securities are classified as FVTPL.

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(ii) Fair value through profit and loss (continued):

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

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies cash, interest and dividends receivable, subscriptions receivable, receivable for investments sold, redemptions payable, management fees payable, distributions payable, accounts payable and accrued liabilities and payable for investments purchased as amortized cost.

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

(b) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis, excluding commissions and other portfolio transaction costs.

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

3. Significant accounting policies (continued):

(c) Redeemable units:

For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their net asset value on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units are reduced by the net asset value of the unit at the date of redemption. The redeemable units, which are classified as financial liabilities, are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units.

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

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

Change in net assets attributable to holders of redeemable units per unit is based on the change in net assets attributable to holders of redeemable units attributed to each series of redeemable units, divided by the weighted average number of redeemable units outstanding of that series during the period.

(e) Investment transactions and income:

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

The 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 (loss).

(f) Translation of foreign currency:

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing on each valuation day. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

3. Significant accounting policies (continued):

(g) Commissions and other portfolio transaction costs:

Commissions and other portfolio 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. Such costs are expensed and are included in commissions and other portfolio transaction costs in the statement of comprehensive income (loss).

(h) Income taxes:

The Fund qualifies as a unit trust under the Income Tax Act (Canada). All of the Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Fund does not record income taxes.

(i) New standards and interpretations not yet adopted:

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended June 30, 2023 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statement of the Funds.

4. Related party transactions:

Management fees:

The Fund pays the Manager management fees based on a percentage of the Net Asset Value of the Fund quarterly, in arrears, but the fee is calculated and accrues daily as a percentage of the Net Asset Value of each applicable Series of Units that comprise the Fund on each Valuation Day, plus applicable taxes. The Manager can absorb expenses, at its sole option. During the period, fees of \$572,852 (June 30, 2022 - \$820,544) were paid to the Manager, of which, \$279,022 (December 31, 2022 - \$316,725) was included in management fees payable at period end. The management fees applicable to each series are as follows:

Series A	1.98%
Series F	0.98%

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

5. Redeemable units of the Fund:

The Fund is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of series, each of which represents an equal, undivided, beneficial interest in the Net Asset Value of the Fund. Each unit of each series entitles the holder to vote, with one vote for each whole unit held and to participate equally with respect to any and all distributions made by the Fund. Redeemable units of a series may be consolidated, subdivided and/or re-designated by the Manager.

The redeemable unit activity during the period ended June 30, 2023 and 2022, is as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Reinvestments of Redeemable Units	Redemption of Redeemable Units	Redeemable Units, end of period
June 30, 2023					
Series A	285,824	9,473	284	(53,512)	242,069
Series AU\$	3,062	—	—	(3,062)	—
Series F	10,288,117	388,861	4,405	(2,032,904)	8,648,479
Series FU\$	188,088	30,027	113	(48,146)	170,082
June 30, 2022					
Series A	323,589	17,187	447	(34,615)	306,608
Series AU\$	3,062	—	—	—	3,062
Series F	12,874,958	2,328,183	6,478	(3,211,177)	11,998,442
Series FU\$	291,455	65,269	195	(85,828)	271,091

Capital disclosure:

The capital of the Fund is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per unit upon redemption. The Fund has no internally or externally imposed restrictions on its capital. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.

6. Withholding tax expense:

Certain dividend and interest income received by the Fund is subject to withholding tax imposed in the country of origin. During the period, the average withholding tax rate was 13.48% (June 30, 2022 – 15%).

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

7. Change in net assets attributable to holders of redeemable units per unit:

The change in net assets attributable to holders of redeemable units per unit for the period ended June 30, 2023 and 2022 is calculated as follows:

	Increase (decrease) in net assets attributable to holders of redeemable units per class:	Weighted average of redeemable units outstanding during the period:	Increase (decrease) in net assets attributable to holders of redeemable units per class per unit:
June 30, 2023			
Series A	\$ 311,054	267,090	\$ 1.16
Series AU\$	1,946	3,062	0.64
Series F	11,933,658	9,454,036	1.26
Series FU\$	224,617	181,603	1.24
June 30, 2022			
Series A	\$ (1,020,895)	313,215	\$ (3.26)
Series AU\$	(9,512)	3,062	(3.11)
Series F	(41,115,569)	12,673,637	(3.24)
Series FU\$	(979,765)	288,674	(3.39)

8. Collateral arrangements:

The Fund has a prime brokerage agreement with its broker to carry its accounts as a customer. The broker has custody of the Fund's securities and, from time to time, cash balances which may be due from the broker.

Financial instruments and/or cash positions serve as collateral for any amounts due to broker or as collateral for any securities sold, not yet purchased or securities purchased on margin. The securities and/or cash positions also serve as collateral for potential defaults of the Fund.

The Fund is subject to credit risk if the broker is unable to repay balances due or deliver securities in their custody.

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

9. Financial risk management:

Management of financial instrument risks:

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the type of securities it invests in.

(a) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. It arises primarily from debt securities held, cash and other receivables due to the Fund.

All transactions executed by the Fund in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. The maximum credit exposure of the Fund is the carrying amount of the assets disclosed on the statement of financial position. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. All counterparties are creditworthy.

Where the Fund invests in debt instruments and derivatives, this represents the main exposure to credit risk. The fair value of debt instruments and derivatives includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Fund.

As at June 30, 2023 and December 31, 2022, the Fund was invested in debt securities with the following credit quality, as determined by DBRS's credit rating:

		June 30, 2023		December 31, 2022
Rating:				
R-1	\$	1,944,000	\$	1,636,000
Convertible / not rated		3,093,500		2,937,700
	\$	5,037,500	\$	4,573,700

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

9. Financial risk management (continued):

(b) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity. The Fund's non-derivative financial liabilities generally are due within three months of the Fund's year end.

The contractual maturity of the Fund's derivative liabilities is \$nil as at June 30, 2023.

(c) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices, will affect the Fund's income or the fair value of their holdings of financial instruments.

(i) Interest rate risk:

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Manager manages interest rate risk through careful selection of securities and diversification of the Fund. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates.

Investments in bonds are fixed-rate instruments with terms to maturity at June 30, 2023 and December 31, 2022 as follows:

Term to maturity		June 30, 2023	December 31, 2022
0 - 5 years	\$	2,325,100	\$ 1,302,000
Greater than 5 years		2,712,400	3,271,700
	\$	5,037,500	\$ 4,573,700

If the prevailing interest rates had increased or decreased by 1%, assuming a parallel shift in the yield curve and with all other factors remaining constant, net assets could have increased or decreased by approximately \$136,929 (December 31, 2022 - \$125,418). In practice, the actual results may differ from the sensitivity analysis and the difference could be material.

9. Financial risk management (continued):

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

(c) Market risk (continued):

(ii) Currency risk:

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

Currency risk arises from financial instruments (including cash) that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Fund.

Currency risk is managed by the Manager on a daily basis through a careful selection of securities and diversification within the Fund, in accordance with policies and investment mandates in place. The Fund may have up to 100% of its capital invested in foreign currency denominated securities. The Manager monitors the Fund's overall market positions and positions are maintained within established ranges.

Currency to which the Fund had exposure as at June 30, 2023 and December 31, 2022 is as follows:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2023						
U.S. Dollar	\$ 2,422,202	\$ 57,909,782	\$ 60,331,984	\$ 121,110	\$ 2,895,489	\$ 3,016,599
	\$ 2,422,202	\$ 57,909,782	\$ 60,331,984	\$ 121,110	\$ 2,895,489	\$ 3,016,599
% of Net Assets						
Attributable to Holders of Redeemable Units	2.4	56.8	59.2	0.1	2.8	2.9

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2022						
U.S. Dollar	\$ 831,291	\$ 49,585,652	\$ 50,416,943	\$ 41,565	\$ 2,479,283	\$ 2,520,848
	\$ 831,291	\$ 49,585,652	\$ 50,416,943	\$ 41,565	\$ 2,479,283	\$ 2,520,848
% of Net Assets						
Attributable to Holders of Redeemable Units	0.8	45.7	46.5	0.0	2.3	2.3

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

9. Financial risk management (continued):

(c) Market risk (continued):

(ii) Currency risk (continued):

The amounts in the above tables are based on the fair value of the Fund's financial instruments (including cash). Other financial assets (including interest and dividends receivable) and financial liabilities that are denominated in foreign currencies do not expose the Fund to significant currency risk.

As at June 30, 2023, if the Canadian dollar had strengthened or weakened by 5% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, by approximately \$3,016,599 or 2.9% (December 31, 2022 - \$2,520,848 or 2.3%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

(iii) Other price risk:

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

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. The Fund's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

As at June 30, 2023, 78.55% (December 31, 2022 – 76.07%) of the Fund's net assets attributable to holders of redeemable units were invested in securities traded mainly on Canadian and/or U.S. stock exchanges. If security prices on the Canadian and/or U.S. stock exchanges had increased or decreased by 10% as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$8,007,254 (December 31, 2022 - \$8,253,332), respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

10. Fair value of financial instruments:

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

(a) Fair value hierarchy:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, the Manager determines the point within bid-ask spread that is most representative of fair value based on specific facts and circumstances.

If there is no quoted price in an active market, then the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

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

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

10. Fair value of financial instruments (continued):

(b) Fair value hierarchy - financial instruments measured at fair value (continued):

The following tables summarize the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of June 30, 2023 and December 31, 2022:

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Equities	\$ 55,837,484	\$ –	\$ –	\$ 55,837,484
Exchange Traded Funds	19,590,098	–	–	19,590,098
Fixed Income	–	5,037,500	–	5,037,500
Investment funds	20,407,516	–	–	20,407,516
	\$ 95,835,098	\$ 5,037,500	\$ –	\$ 100,872,598

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Equities	\$ 59,484,166	\$ –	\$ –	\$ 59,484,166
Exchange Traded Funds	23,049,152	–	–	23,049,152
Fixed Income	–	4,573,700	–	4,573,700
Forward contracts	–	176,640	–	176,640
Investment funds	18,070,781	–	–	18,070,781
	\$ 100,604,099	\$ 4,750,340	\$ –	\$ 105,354,439

Fixed income investments classified as Level 2 in the hierarchy are priced based on broker quotations, which are based primarily on matrix pricing or quotations of similar instruments.

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

There were no transfers of financial assets between Level 1, Level 2 and Level 3 for the period ended June 30, 2023 and for the year ended December 31, 2022.

(c) Financial instruments not measured at fair value:

The carrying value of cash, interest and dividends receivable, subscriptions receivable, receivable for investments sold, redemptions payable, management fees payable, distribution payable, payable for investments purchased and accounts payable and accrued liabilities approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

WILLOUGHBY INVESTMENT POOL

Notes to Financial Statements

June 30, 2023 (Unaudited)

11. Income taxes:

Non-capital losses are available to be carried forward for 20 years and applied against future taxable income. Capital losses may be carried forward indefinitely and applied against future capital gains.

As at December 31, 2022, the Fund had \$nil (2021 - \$nil) non-capital losses and \$7,745,913 (2021 - \$237,251) in capital losses available for carrying forward.

12. Involvement with structured entities:

The table below describes the types of structured entities in which the Funds hold an interest.

Entity	Nature and purposes	Interest held by the Fund
Investment Funds	To manage assets on behalf of third-party investors and generate fees for the investment advisor. These vehicles are financed through the issue of units to investors	Investment in units issued by the underlying investment funds

The table below sets out the interests held by the Fund in structured entities. The maximum exposure to loss is the carrying amount of the investment in the underlying investment funds held.

June 30, 2023				
Strategy	Number of Investee Funds	Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable units
Canadian investment fund	13	\$ 38,089,171,321	\$ 29,995,396	29.43%
U.S. investment fund	4	\$ 111,050,280,089	\$ 10,002,218	9.82%
		\$ 149,139,451,410	\$ 39,997,614	39.25%

December 31, 2022				
Strategy	Number of Investee Funds	Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable units
Canadian investment fund	16	\$ 111,581,122,945	\$ 41,119,933	37.91%
		\$ 111,581,122,945	\$ 41,119,933	37.91%