



# Venator Alternative Income Fund

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SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2021

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This Semi-Annual Management Report of Fund Performance (“MRFP”) contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a free copy of the interim financial report or annual Financial Statements at your request, at no cost, by calling Venator Capital Management Ltd. directly at 416-934-7994; by writing to us at Venator Capital Management Ltd., 2 Bloor Street West, Suite 901, Toronto, ON, M4W 3E2; by email to [info@venator.ca](mailto:info@venator.ca); or by visiting our website at [www.venator.ca/resources](http://www.venator.ca/resources) or the SEDAR website at [www.sedar.com](http://www.sedar.com).

Unitholders may also contact us or visit our website to obtain a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, and Fund-related quarterly disclosure at no cost.

This Semi-Annual Management Report of Fund Performance represents management’s view of the significant factors and developments affecting the investment fund’s performance and outlook until June 30, 2021.

Please refer to the Fund’s Simplified Prospectus, Fund Facts and the 2020 audited annual Financial Statements for more information.

### **Caution regarding forward-looking statements**

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. 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 “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, or negative versions thereof and of similar expressions.

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. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risk, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these differences, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

Please note that the afore-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and urge you to avoid placing undue reliance on forward-looking statements. The forward-looking information contained in this report is current only as of the date of this report. Further, you should be aware that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

## Venator Alternative Income Fund

### Management Discussion of Fund Performance

The management discussion of fund performance presents the view of the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook.

Please read the caution on the preceding page regarding forward-looking statements.

#### Investment Objectives and strategies

The investment objective of Venator Alternative Income Fund (the "Fund") is to provide unitholders with long-term returns through an actively managed and diversified portfolio of primarily global fixed income securities by opportunistically utilizing both long and short positions.

The Fund will primarily invest, directly or indirectly through the use of derivatives, in global developed markets fixed income securities including, but not limited to, government bonds, corporate bonds, bank loans, high yield bonds, securitized credit tranches, convertible bonds, preferred shares, common equity and cash and/or cash equivalents. The Fund has a flexible mandate to invest in both investment grade and non-investment grade securities.

The fundamental investment objective of the Fund will not change without consent of a majority of voting unitholders of the Fund.

#### Exemptions from National Instrument 81-102

The Fund is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 ("NI 81-102"), which are designed, in part, to ensure that the investments of mutual funds are diversified and relatively liquid and to ensure the proper administration of mutual funds. We intend to manage the Fund in accordance with these restrictions and practices or to obtain relief from the securities regulatory authorities before implementing any variations. The following provides a description of the exemptions that the Fund has obtained from the provisions of NI 81-102, and/or a description of the general investment activity.

The Fund has obtained the following exemptions from NI 81-102:

- from the following provisions (the "Total Borrowing Limit") of NI 81-102 in order to permit each Fund to borrow up to 100% of the Fund's net asset value ("NAV") under the Cash Currency Hedging Strategy (as defined below),
  - paragraph 2.6(2)(c) of NI 81-102, that provides that an alternative mutual fund may borrow cash or provide a security interest over any of its portfolio assets if the value of cash borrowed, when aggregated with the value of all outstanding borrowing by the fund, does not exceed 50% of the fund's NAV; and
  - section 2.6.2 of NI 81-102, which prohibits an alternative mutual fund from borrowing cash or selling securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate value of cash borrowed combined with the aggregate market value of the securities sold short by the fund would exceed 50% of the fund's NAV (collectively, the "Cash Currency Hedging Strategy Relief"); and
- Subsection 9.3(1), to permit the Fund to process purchase orders for its units, as described in this Simplified Prospectus and Fund Facts, on a semi-monthly basis at their class NAV per unit

calculated as at the last day the Toronto Stock Exchange ("TSX") is open (a "Valuation Date") of the semi-monthly period in which the purchase order for such units is received; and

- Subsection 10.3(1), to permit the Fund to process redemption orders for its units, as described in the simplified prospectus and Fund Facts on at least 7 business days prior written notice, on a semi-monthly basis, redeeming such units at their class NAV per unit calculated on the last Valuation Date of each semi-monthly period in which the redemption order for such units is processed (the "Redemption Processing Frequency").

#### Risk

The risks of investing in the Fund remain as outlined in the simplified prospectus. The Fund is suitable for investors looking for a diversified portfolio of short-dated fixed income securities to hold as part of balanced portfolio. The Fund is an alternative to traditional fixed income funds and appropriate for investors with low/medium risk tolerances, who also have a medium-to-long term time horizon.

#### Results of operations

The management discussion of Fund performance presents the views of the portfolio management team concerning significant factors and developments that have affected the Fund's performance and outlook. Please read the caution on the preceding page regarding forward-looking statements.

Class F Units of Venator Alternative Income Fund returned 8.7% for the 6-month period ended June 30, 2021 ("Reporting Period"), versus 3.9% for the Fund's benchmark. The Fund's benchmark is comprised of a 75% weighting in the Bank of America Merrill Lynch High Yield Index and a 25% weighting in the Bloomberg Canadian High Yield Index. Unlike the benchmark, the Fund's return is quoted after the deduction of fees and expenses. Returns for other series of the Fund may vary, largely due to difference in fees and expenses. Please refer to the Past Performance section for returns of the various unit classes offered by the Fund.

#### Market Update

Over the reporting period the Canadian and US economies saw increased activity as restrictions introduced due to COVID-19 eased to differing levels across North America. The prospects of vaccines, and expectation of emergence from the COVID-19 pandemic has led to increased confidence in a significant recovery. Economic activity across broad sections of the economy began to improve and continues at a significant pace through the first half of 2021. High-yield bond prices increased, and yields fell as financial markets rebounded significantly from their lows in 2020. The U.S. Federal Reserve (the Fed) remained accommodative keeping interest rates low, supporting the backdrop for continued fund flows into high yield bonds leading to tightening spreads. The Fed continues to monitor inflationary pressures.

The Canadian high-yield market had a more muted response but followed similar patterns to the U.S. markets.

#### Key Contributors/Detractors

The Fund outperformed its benchmark over the Reporting Period. The following factors contributed to this result:

- The Fund exhibited superior security selection versus the benchmark.

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- The benchmark has over 2000 securities, most of which do not fit the risk profile of the Fund. Comparatively, the Fund has held approximately 40-50 securities in its portfolio throughout 2021.

### Recent developments

Looking ahead we remain optimistic that rates will remain low for an extended period and economic activity will continue to rebound. Investor confidence has improved, and we believe should continue to with the hopes of widespread inoculations against COVID-19 leading toward a restored sense of “normalcy”. While the speed of immunization varies greatly across regions, and more cases are expected, along with the possibility of outbreaks and temporary slowdowns, there is an overwhelming feeling that there is a light at the end of the tunnel.

The Fed has remained stimulative and we expect periods of volatility. Valuations in the markets have continued to climb and there is the possibility that high valuations can lead to periods of volatility. We remain focused on protecting principal through superior security selection and remain invested in relatively short-term securities with an average term to maturity of 4.2 years.

### Related party transactions

For the period ended June 30, 2021, Venator Capital Management Ltd. was responsible for the day-to-day business operations and affairs of the Fund and, on this basis, was entitled to fees as described under “Management Fees” and “Performance Fees” below.

### Management Fees

As a result of providing investment and management services, Venator Capital Management Ltd. receives a management fee calculated and accrued daily based on the NAV of the class of units of the Fund, plus applicable taxes, payable on the last day of each calendar month. For the period ended June 30, 2021, the Fund incurred management fees of \$430,641 plus applicable taxes. Management fees, if any, in respect of Class I units are direct fees negotiated with the investor.

Venator Capital Management Ltd. uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Fund’s units, investment advice, as well as general administrative expenses relating to Venator’s role as Manager.

The semi-annual management fees and a breakdown of the major services rendered for each series, as a percentage of the management fees paid, are as follows:

<u>As a Percentage of Management Fees</u>			
Class of Units	Annual Mgmt. Fees	Dealer Compensation	General Administration & Investment Advice
Class F	1.00%	-	100.00%
Class A	2.00%	50.00%	50.00%
Class D	1.50%	33.33%	66.67%

*Please Note:* There are no management fees paid by the Fund in respect to Class I Units of the Fund. Class I unitholders pay a negotiated fee directly to Venator Capital Management Ltd.

### Performance Fees

If the Fund generates a net profit (after payment of all other fees and expenses), the Manager is eligible to receive a performance fee in respect of each class of unit of the Fund on each performance valuation date, based on the amount by which the NAV of a unit of each class on the valuation date exceeds an annualized current year return of 5% over the class high-water mark (the “threshold rate”).

High-water mark means the highest NAV of a unit of such class on any performance valuation date, as adjusted for any distributions declared on such unit from the date of such NAV to the last valuation date in the previous calendar year (“adjusted NAV per unit”). The calculation of the NAV of a unit of a class will therefore exclude the effect of any distribution on units of such class. The performance valuation date means the last valuation date in each calendar year.

In any period in which the performance fee is payable and the NAV per unit of a class exceeds the high-water mark, unitholders of such class will be entitled to, with respect to each unit held of such class, (i) all of the increase in the adjusted NAV per Unit up to the threshold rate and (ii) 90% of any increase in adjusted NAV per Unit in excess of the threshold rate plus 0.5%. The Manager will be entitled to (i) all of the increase in adjusted NAV per Unit between the threshold rate and the threshold rate plus 0.5%, and (ii) 10% of any gains in excess of the threshold rate plus 0.5%.

For example, for all units on an annualized basis, the return will be allocated such that any return above the High Water Mark from (i) 0.001% to 5% will be accrued to the unitholders’ benefit; (ii) 5.001% to 5.5% will be accrued to the benefit of the Manager in the form of a performance fee; and (iii) above 5.5% will be accrued 90% to the benefit of the unitholders and 10% to the Manager as a performance fee.

The performance fee will be accrued for each class of units on a semi-monthly basis with any such accrued performance fee payable to the Manager on the Performance Valuation Date.

The Manager shall also be entitled to receive a performance fee in respect of units redeemed as if the redemption date were a performance valuation date, with such performance fee to be paid on or before the 10th business day following the performance valuation date or redemption date, as the case may be. Performance fees are subject to applicable taxes including HST.

Investors in Class I units may negotiate a different performance fee than the one described above, which not exceed the performance fee payable on Class A units, Class D units or Class F units of the Fund.

For the period ended June 30, 2021, the Fund accrued \$687,753 in performance fees plus applicable taxes.

### Other Related Party Transactions

The Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All related party transactions with the Manager are based on the applicable NAV per class of unit for each transaction date. As of June 30, 2021, 1,802,232 Units were held by the Manager and unitholders related to the Manager, totaling approximately 15.87% of the Fund’s NAV.

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### Independent Review Committee

Venator appointed an Independent Review Committee (“IRC”) consisting of three independent members, which was established under the Canadian Securities Administrators’ National Instrument 81-107 (the “Instrument”). The IRC’s mandate is to review and provide input on the Manager’s written policies and procedures that pertain to conflict of interest matters with respect to the funds managed by Venator.

The Fund receives standing instructions (the “SI”) from the IRC. The SI constitutes a written approval or recommendation from the IRC that permits the Manager to proceed with specific action(s) set out in the SI on an ongoing basis. The SI is designed to ensure that the Manager’s actions are carried out in accordance with the law, the instrument and the Manager’s policies and procedures in order to achieve a fair and reasonable result for the Fund. The SI outlines actions related to (a) Fees and Expenses, (b) Trade Allocations, (c) Broker Selection, (d) Portfolio Pricing Issues, amongst other things. The Manager must provide the IRC with a written report summarizing each instance where the Manager has relied on the SI. For the period ended June 30, 2021, the IRC did not provide any recommendations to the Manager.

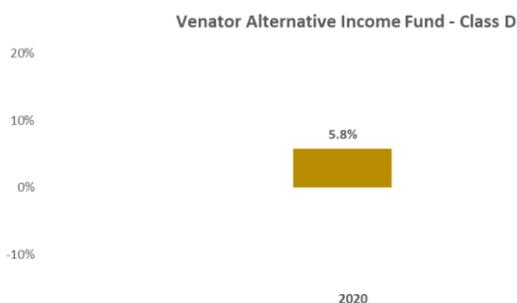
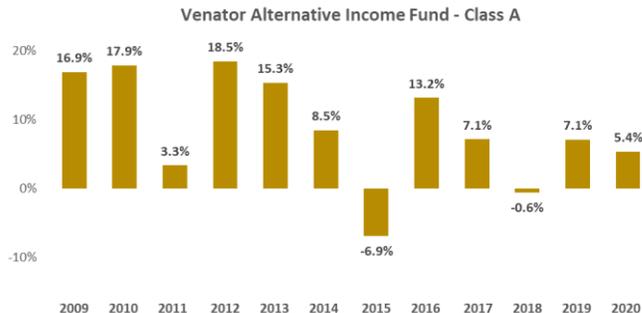
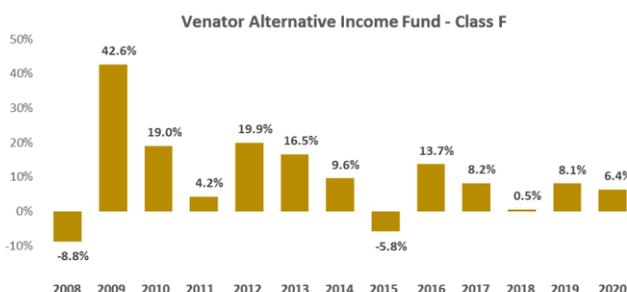
Additional information about the IRC is available in the Simplified Prospectus and Annual Information Form for the Fund. IRC members receive fees and reimbursement of expenses for services provided to the Fund.

### Past Performance

The following charts show how the Fund has performed in the past and can help you understand the risks of investing in the Fund. These returns include the reinvestment of all distributions and would be lower if an investor did not reinvest distributions. They do not include deduction of sales, switch, redemption, or other optional charges (which dealers may charge) or income taxes payable, and these returns would be lower if they did. The Fund’s past performance does not necessarily indicate how it will perform in the future.

#### Year-by-year returns

The bar charts below illustrate how the Fund’s performance has varied from year to year for each of the years shown. They show, in percentage terms, how an investment made on January 1<sup>st</sup> would have increased or decreased by December 31<sup>st</sup> for each year ending December 31, 2020.



### Annual compound returns

The tables below summarize the Fund’s annualized performance for its Class A, D & F units, as well as the Fund benchmark, as of June 30, 2021.

	1-YR	3-YR	5-YR	10-YR	**Since Inception
Class F	27.3%	7.7%	7.1%	8.0%	10.4%
Class A	26.2%	6.6%	6.1%	7.0%	9.3%
Class D	26.7%	-	-	-	11.2%
Fund Benchmark	15.2%	7.1%	7.6%	6.5%	8.0%

\*Fund benchmark is 75% Bank of America Merrill Lynch High Yield Index and 25% Bloomberg Canadian High Yield Corporate Bond Index

\*\*Class F inception is Aug. 1, 2008; Class A inception is Aug. 1, 2009; Class D inception is Mar. 2, 2020.

## Venator Alternative Income Fund

### Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the 6-month period ended June 30, 2021 and the past 5 fiscal years ended December 31. This information is derived from the Fund's semi-annual unaudited and annual audited Financial Statements.

Class A	2021	2020	2019	2018	2017	2016
<b>Fund's net assets per unit (Note 1)</b>						
<b>Net assets per unit, beginning of period</b>	\$ 5.73	\$ 5.70	\$ 5.52	\$ 5.78	\$ 5.69	\$ 5.31
Increase (Decrease) from Operations:						
Total revenue	\$ 0.16	\$ 0.37	\$ 0.42	\$ 0.50	\$ 0.45	\$ 0.40
Total expenses	\$ (0.16)	\$ (0.20)	\$ (0.31)	\$ (0.28)	\$ (0.28)	\$ (0.19)
Realized Gains (Losses) for the period	\$ 0.13	\$ 0.19	\$ 0.36	\$ (0.33)	\$ 0.58	\$ 0.29
Unrealized Gains (Losses) for the period	\$ 0.34	\$ (0.14)	\$ (0.08)	\$ 0.09	\$ (0.35)	\$ 0.18
<b>Total Increase (Decrease) from Operations</b>	\$ 0.47	\$ 0.21	\$ 0.39	\$ (0.02)	\$ 0.40	\$ 0.68
<b>Distributions to unitholders:</b>						
From Net Investment Income	\$ (0.12)	\$ (0.14)	\$ (0.15)	\$ (0.12)	\$ (0.13)	\$ (0.20)
From Dividends	\$ (0.00)	\$ (0.02)	\$ (0.05)	\$ (0.06)	\$ (0.08)	\$ 0.00
Return of Capital	\$ (0.00)	\$ (0.08)	\$ (0.01)	\$ (0.05)	\$ (0.09)	\$ (0.11)
<b>Total Annual Distributions to Unitholders</b>	\$ (0.12)	\$ (0.24)	\$ (0.21)	\$ (0.23)	\$ (0.30)	\$ (0.31)
<b>Net assets per unit at June 30, 2021 (Note 2)</b>	\$ 6.07	\$ 5.73	\$ 5.70	\$ 5.52	\$ 5.78	\$ 5.69
<b>Ratios and supplemental data (Note 3)</b>						
Total net asset value ('000s)	\$ 3,035	\$ 3,158	\$ 3,684	\$ 3,741	\$ 5,001	\$ 5,335
Number of units outstanding ('000s)	500	551	647	678	864	973
Management expense ratio (Note 4)	3.59%	3.23%	3.15%	2.40%	3.23%	3.41%
Net asset value per unit	\$ 6.07	\$ 5.73	\$ 5.70	\$ 5.52	\$ 5.78	\$ 5.69

Class F	2021	2020	2019	2018	2017	2016
<b>Fund's net assets per unit (Note 1)</b>						
<b>Net assets per unit, beginning of period</b>	\$ 6.49	\$ 6.36	\$ 6.17	\$ 6.41	\$ 6.29	\$ 5.82
Increase (Decrease) from Operations:						
Total revenue	\$ 0.18	\$ 0.41	\$ 0.48	\$ 0.55	\$ 0.51	\$ 0.44
Total expenses	\$ (0.14)	\$ (0.18)	\$ (0.29)	\$ (0.24)	\$ (0.24)	\$ (0.18)
Realized Gains (Losses) for the period	\$ 0.16	\$ 0.27	\$ 0.40	\$ (0.38)	\$ 0.66	\$ 0.31
Unrealized Gains (Losses) for the period	\$ 0.33	\$ (0.11)	\$ (0.10)	\$ 0.12	\$ (0.42)	\$ 0.21
<b>Total Increase (Decrease) from Operations</b>	\$ 0.54	\$ 0.40	\$ 0.49	\$ 0.05	\$ 0.51	\$ 0.78
<b>Distributions to unitholders:</b>						
From Net Investment Income	\$ (0.12)	\$ (0.21)	\$ (0.24)	\$ (0.20)	\$ (0.18)	\$ (0.23)
From Capital Gains	\$ (0.00)	\$ (0.01)	\$ (0.06)	\$ (0.01)	\$ (0.10)	\$ 0.00
From Dividends	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.05)	\$ (0.10)	\$ (0.07)
<b>Total Annual Distributions to Unitholders</b>	\$ (0.12)	\$ (0.24)	\$ (0.31)	\$ (0.26)	\$ (0.38)	\$ (0.30)
<b>Net assets per unit at June 30, 2021 (Note 2)</b>	\$ 6.93	\$ 6.49	\$ 6.36	\$ 6.17	\$ 6.41	\$ 6.29
<b>Ratios and supplemental data (Note 3)</b>						
Total net asset value ('000s)	\$ 75,796	\$ 62,907	\$ 55,474	\$ 49,384	\$ 66,199	\$ 65,269
Number of units outstanding ('000s)	10,937	9,691	8,724	8,007	10,332	10,384
Management expense ratio (Note 4)	2.48%	2.39%	2.21%	2.21%	2.24%	2.99%
Net asset value per unit	\$ 6.93	\$ 6.49	\$ 6.36	\$ 6.17	\$ 6.41	\$ 6.29

## Venator Alternative Income Fund

Class D	2021	2020	2019	2018	2017	2016
<b>Fund's net assets per unit (Note 1)</b>						
<b>Net assets per unit (as of February 28, 2020 inception)</b>	\$ 5.09	\$ 5.00				
Increase (Decrease) from Operations:						
Total revenue	\$ 0.14	\$ 0.27				
Total expenses	\$ (0.13)	\$ (0.14)				
Realized Gains (Losses) for the period	\$ 0.12	\$ 0.24				
Unrealized Gains (Losses) for the period	\$ 0.29	\$ (0.05)				
<b>Total Increase (Decrease) from Operations</b>	<b>\$ 0.42</b>	<b>\$ 0.31</b>				
<b>Distributions to unitholders:</b>						
From Net Investment Income	\$ (0.12)	\$ (0.16)				
From Dividends	\$ (0.00)	\$ (0.01)				
Return of Capital	\$ (0.00)	\$ (0.03)				
<b>Total Annual Distributions to Unitholders</b>	<b>\$ (0.12)</b>	<b>\$ (0.20)</b>				
<b>Net assets per unit at June 30, 2021 (Note 2)</b>	<b>\$ 5.39</b>	<b>\$ 5.09</b>				
<b>Ratios and supplemental data (Note 3)</b>						
Total net asset value ('000s)	\$ 23	\$ 21				
Number of units outstanding ('000s)	4	4				
Management expense ratio (Note 4)	3.08%	2.63%				
Net asset value per unit	\$ 5.39	\$ 5.09				

### Financial highlights (continued)

#### Notes

- Net assets per unit is calculated as follows:
  - This information is derived from the Fund's audited annual and/or unaudited semi-annual financial statements
  - Net assets per unit of a class are based on the number of units outstanding for that class at the relevant time. The increase (decrease) from operations per unit of a class is based on the weighted-average number of units outstanding for that class during the year.
  - Distributions per unit of a class are based on the number of units outstanding for the class on the record dates for distributions. Distributions were reinvested in additional units of the Fund.
  - The financial highlights are not intended to act as a continuity of the opening and closing net assets per unit.
- The net assets are calculated in accordance with IFRS.
- This information is presented as of June 30 or December 31 of the year shown.
- The management expense ratio ("MER") is calculated as the total expenses paid by each class of the Fund, including applicable taxes and excluding margin interest, commissions and other portfolio transaction costs, as an annualized percentage of the daily average NAV of each class of the Fund during the period. In the period a class is established, the MER is annualized. The Manager, at its sole discretion, waives or absorbs expenses. Such waivers and absorption can be terminated at any time. Fund MERs are shown both with and without the waiver and absorptions.

Fund level ratios (Class A, D F)	2021	2020	2019	2018	2017	2016
Trading expense ratio (Note 5)	0.73%	0.63%	2.43%	2.67%	1.64%	1.08%
Portfolio Turnover rate (Note 6)	40.43%	131.63%	106.69%	118.85%	121.96%	110.85%

- The trading expense ratio represents margin interest, borrow fees on investments sold short, total commissions and other portfolio transaction costs expressed as an annualized percentage of the Fund's daily average NAV. The trading expense ratio is calculated at the fund level and applies to all classes of the Fund.
- Portfolio turnover rate is calculated at the fund level based on the lesser of purchases or proceeds of sales of securities for the year, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the year. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all 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 fund performance.

Summary of Investment Portfolio (as of June 30, 2021)

The Summary of Investment Portfolio will change due to ongoing portfolio transactions of the Fund. A quarterly update is available - to obtain a copy please consult our website at [www.venator.ca/resources](http://www.venator.ca/resources); call us at 416.934.7998; or email us at [info@venator.ca](mailto:info@venator.ca).

		% of Net Asset Value				% of Net Asset Value	
<b>GEOGRAPHIC ALLOCATION</b>				<b>TOP 25 INVESTMENTS</b>			
Canada		27.8		Uber Technologies, Inc. (8.00%, Nov 1, 2026)		6.8	
United States		110.2		Dye & Durham Limited (3.75%, Mar 1, 2026) – CONV \$73.25		4.5	
<b>ASSET ALLOCATION</b>				Wayfair, Inc. (0.625%, Oct 1, 2025) – CONV \$417.15		4.2	
High Yield Bonds		31.2		Core & Main Holdings LP (8.625%, Sep 15, 2024)		4.1	
Convertible Bonds		77.5		Warrior Met Coal Inc. (8.00% Nov 1, 2024)		4.0	
Preferred Shares		8.3		Kaleyra Inc (6.125%, Jun 1, 2026) - CONV \$16.875		4.0	
Other		21.0		Splunk Inc (1.125%, Jun 15, 2027) - CONV \$255.00		3.8	
Cash and cash equivalents		0.0		Alteryx Inc (1.00%, Aug 1, 2026) - CONV \$189.00		3.7	
<b>FIXED INCOME CREDIT RATINGS</b>				Chemtrade Log. Inc. Fund (8.50%, Sept 30, 2025) – CONV \$7.35		3.6	
Aaa		0.0		Draftkings Inc (0.00%, Mar 15, 2028) - CONV \$94.00		3.5	
Aa		0.0		WESCO International Inc. Preferred Shares 10.625%		3.3	
A		0.0		NorthWest Healthcare Prop REIT (5.50%, Dec 31, 2023) - CONV \$13.35		3.3	
Baa		0.0		Tesla Inc. (5.30%, Aug 15, 2025)		3.3	
Ba		0.0		SmileDirectClub (0.00%, Feb 1, 2026) - CONV \$18.06		3.2	
B		18.6		First Quantum Minerals Ltd. (7.25%, Apr 1, 2023)		3.2	
Caa		4.0		Par Petroleum LLC (7.75%, Dec 15, 2025)		3.2	
Non-rated		86.1		Enphase Energy (0.00%, Mar 1, 2028) - CONV 285.00		3.1	
<i>*Credit ratings have been obtained from Moody's or DBRS Ltd</i>				Peloton Inc (0.00%, Feb 1, 2026) - CONV \$239.00		3.1	
<b>TOTAL NET ASSET VALUE (CAD)</b>		<b>\$78,854,292</b>		Twitter Inc (0.00%, Mar 15, 2026) - CONV \$130.00		3.0	
<b>SECTOR ALLOCATION</b>				Airbnb Inc (0.00%, Mar 15, 2026) - CONV \$288.50		3.0	
		% of NAV		Alarm.com Hldgs Inc (0.00%, Jan 15, 2026) - CONV \$147		2.9	
	Long	Short	Net	LendingTree Inc (0.5%, Jul 15, 2025) - CONV \$461.00		2.9	
Consumer Discretionary	17.3	0.0	17.3	Canaccord Genuity Group Inc. Preferred Shares 5.75%		2.5	
Consumer Staples	0.0	0.0	0.0	Chemtrade Logistics Income Fund (4.75%, May 31, 2024) - CONV 26.70		2.5	
Energy	6.7	0.0	6.7	Fortress Trans & Infra Investors LLC Pref Shares 8.25%		2.5	
Financials	5.4	0.0	5.4	<b>TOP 25 HOLDINGS (% OF NET ASSET VALUE)</b>			
Healthcare	9.8	0.0	9.8	<b>87.0</b>			
Industrials	22.6	0.0	22.6	<b>PORTFOLIO ALLOCATION</b>			
Technology	27.6	0.0	27.6			% of NAV	
Basic Materials	16.4	0.0	16.4		Long	Short	Net
Real Estate	6.7	0.0	6.7	High Yield Bonds	31.2	0.0	31.2
Communication Services	6.5	0.0	6.5	Convertible Bonds	77.5	0.0	77.5
Utilities	0.0	0.0	0.0	Preferred Shares	8.3	0.0	8.3
SPACs	19.0	0.0	19.0	Other	21.0	0.0	21.0
<b>TOTAL</b>	<b>138.0</b>	<b>0.0</b>	<b>138.0</b>	Cash and cash equivalents	0.0	0.0	0.0
				<b>TOTAL</b>	<b>138.0</b>	<b>0.0</b>	<b>138.0</b>