

**Clearpoint Short Term
Income Fund
Financial Statements**

June 30, 2017

(Unaudited)

Clearpoint Short Term Income Fund

June 30, 2017

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by **Caldwell Investment Management Ltd.** in its capacity as the Trustee of the Fund. The Fund's Trustee is responsible for the information and representations contained in these financial statements.

The Trustee 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 judgments made by the Trustee. The significant accounting policies which the Trustee believes are appropriate for the Fund are described in Note 3 to the unaudited interim financial statements.

On behalf of the Trustee

Date: August 28, 2017

NOTICE TO UNITHOLDERS

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

Caldwell Investment Management Ltd., the Trustee 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 Fund's interim financial statements, this must be disclosed in an accompanying notice.

Clearpoint Short Term Income Fund

Statement of Financial Position As at June 30, 2017 (Unaudited)

June 30, 2017

ASSETS

Current assets

Due from Manager	\$	37,402
Forward contract		130,268
Interest receivable		95,184
Cash		1,515,370
Investment portfolio, at fair value (Note 5)		6,000,053
		<u>7,778,277</u>

LIABILITIES

Current liabilities

Management and performance fees payable		7,290
Accrued liabilities		34,612
Cash due to broker		15,389
Payable for investments purchased		675,790
		<u>733,081</u>

Net Assets Attributable to Holders of Redeemable Units

\$ 7,045,196

Net Assets Attributable to Holders of Redeemable Units per Series

Series A	\$	3,598,335
Series F		3,446,861
	\$	<u>7,045,196</u>

Number of Redeemable Units Outstanding

Series A		363,861
Series F		347,969

Net Assets Attributable to Holders of Redeemable Units per Unit

Series A	\$	9.89
Series F		9.91

Approved on behalf of Caldwell Investment Management Ltd., Manager and Trustee of the Fund



Brendan T. N. Caldwell, President

Clearpoint Short Term Income Fund

Statement of Comprehensive Income

From the commencement of operations, April 05, 2017 to June 30, 2017 (Unaudited)

	2017
Income	
Interest income for distribution purposes	\$ 39,049
Realized (loss) gain on investments	(7,517)
Change in unrealized (depreciation) appreciation on investments and foreign currency	(18,365)
	<u>13,167</u>
Expenses	
Administrative fee	18,058
Management fee (Note 7)	15,269
Audit fee	8,525
Custodial fee	6,167
Filing fee	5,079
Legal fee	4,635
Securityholder reporting costs	3,265
Independent review committee fee	2,286
Bank charges	376
Commissions and other portfolio transaction costs	198
	<u>63,858</u>
Deduct. Expenses absorbed by Manager (Note 5)	13,172
Decrease in Net Assets Attributable to Holders of Redeemable Units	\$ <u>(37,519)</u>
Decrease in Net Assets Attributable to Holders of Redeemable Units per Series	
Series A	\$ (26,601)
Series F	(10,918)
	<u>\$ (37,519)</u>
Decrease in Net Assets Attributable to Holders of Redeemable Units per Unit	
Series A	\$ (0.09)
Series F	(0.05)

Clearpoint Short Term Income Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units From the commencement of operations, April 05, 2017 to June 30, 2017 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Decrease in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2017				
Series A	\$ —	\$ 3,624,936	\$ (26,601)	\$ 3,598,335
Series F	—	3,457,779	(10,918)	3,446,861
	<u>\$ —</u>	<u>\$ 7,082,715</u>	<u>\$ (37,519)</u>	<u>\$ 7,045,196</u>

Clearpoint Short Term Income Fund

Statement of Cash Flows

From the commencement of operations, April 05, 2017 to June 30, 2017 (Unaudited)

	2017
Cash provided by (used in):	
Operating Activities	
Decrease in Net Assets Attributable to Holders of Redeemable Units	\$ (37,519)
Adjustments for non-cash items	
Commissions and other portfolio transaction costs	198
Realized loss on investments	7,517
Change in unrealized depreciation on investments and foreign currency	18,365
Change in non-cash balances	
Increase in due from manager	(37,402)
Increase in interest and dividends receivable	(95,184)
Increase in management fee payable	7,290
Increase in accounts payable and accrued liabilities	34,612
Increase in payable for investments purchased	675,790
Proceeds from sale of investments	1,290,328
Purchase of investments	(7,444,084)
Cash used in operating activities	<u>(5,580,089)</u>
Financing Activities	
Proceeds from redeemable units issued	<u>7,082,715</u>
Cash provided by financing activities	<u>7,082,715</u>
Increase in cash during the period	1,502,626
Foreign exchange loss on cash	(2,645)
Cash, beginning of period	<u>-</u>
Cash, end of period	\$ <u>1,499,981</u>
Supplemental Information*	
Interest received	\$ 56,136

*Included as a part of cash flows from operating activities

Clearpoint Short Term Income Fund

Schedule of Investment Portfolio As at June 30, 2017 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	Canadian fixed income			
150,000	Air Canada 4.75% 06OCT23	\$ 150,375	\$ 151,218	2.15
150,000	Russel Metals Inc. 6% 19APR22	153,938	154,407	2.19
158,000	Temple Hotels Inc. 7.25% 30SEP17	153,458	158,435	2.25
		<u>457,771</u>	<u>464,060</u>	<u>6.59</u>
	U.S. fixed income			
400,000	Credit Acceptance Corp. 6.125% 15FEB21	543,582	534,209	7.58
500,000	Harbinger Group Inc. 7.875% 15JUL19	697,849	666,606	9.46
500,000	Lee Enterprises Inc. 9.50% 15MAR22	675,790	670,708	9.52
350,000	Mattamy Group Corp. 6.875% 15DEC23	484,508	464,452	6.59
500,000	Rackspace Hosting Inc. 8.625% 15NOV24	704,175	692,293	9.83
125,000	RegionalCare Hospital Partners Holdings Inc. 8.25% 01MAY23	179,767	175,542	2.49
500,000	Resolute Forest Products Inc. 5.875% 15MAY23	662,137	632,240	8.97
200,000	Tembec Industries Inc. 9% 15DEC19	274,701	270,028	3.83
500,000	ViaSat Inc. 6.875% 15JUN20	674,901	663,301	9.41
500,000	Western Digital Corp. 10.50% 01APR24	793,668	766,614	10.88
		<u>5,691,078</u>	<u>5,535,993</u>	<u>78.56</u>
	Total investments owned	6,148,849	6,000,053	85.15
	Commissions and other portfolio transaction costs	(163)	-	-
	Net investments owned	<u>\$ 6,148,686</u>	6,000,053	85.15
	Unrealized gain, foreign exchange forward contracts (schedule 1)		130,268	1.85
	Other assets, net		<u>914,875</u>	<u>13.00</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 7,045,196</u>	<u>100.00</u>

Clearpoint Short Term Income Fund

Schedule of Investment Portfolio (Continued)

As at June 30, 2017 (Unaudited)

Schedule 1 - Foreign Exchange Forward Contracts

Settlement Date	Currency Bought/Sold	Currency Bought/Sold	Counterparty	Forward Rates	Contract Price	Fair Value	Unrealized Gain (Loss)
September 15, 2017	USD	CAD	BNY Mellon	1.345050	717,101	691,429	(25,672)
September 15, 2017	USD	CAD	BNY Mellon	1.321000	138,400	135,875	(2,525)
Derivative assets							(28,197)
September 15, 2017	USD	CAD	BNY Mellon	1.341500	(804,788)	(778,031)	26,757
September 15, 2017	USD	CAD	BNY Mellon	1.341700	(660,389)	(638,337)	22,052
September 15, 2017	USD	CAD	BNY Mellon	1.320750	(675,738)	(663,534)	12,203
September 15, 2017	USD	CAD	BNY Mellon	1.345050	(717,101)	(691,429)	25,672
September 15, 2017	USD	CAD	BNY Mellon	1.345050	(717,101)	(691,429)	25,672
September 15, 2017	USD	CAD	BNY Mellon	1.321800	(2,086,461)	(2,047,153)	39,308
September 15, 2017	USD	CAD	BNY Mellon	1.324000	(181,333)	(177,621)	3,712
September 15, 2017	USD	CAD	BNY Mellon	1.302700	(693,525)	(690,436)	3,089
Derivative liabilities							158,465
Total unrealized gain on foreign exchange forward contracts							130,268

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

1. The Fund

Clearpoint Short Term Income Fund (the "Fund") is an open-ended mutual fund trust formed under the laws of the Province of Ontario by Declarations of Trust, executed by the Trustee of the Fund October 17, 2016.

Caldwell Investment Management Ltd. (the "Manager") is the manager and the Trustee of the Fund. The Manager is incorporated under the laws of Ontario. The address of the Fund's registered office is 150 King Street West, Suite 1702, P.O. Box 47, Toronto, ON M5H 1J9. The Fund commenced active operations on April 5, 2017.

The Fund's investment objective is to obtain superior investment returns, while preserving capital and maintaining liquidity, by investing in corporate debt securities. The Fund invests principally in a diverse portfolio of North American debt securities.

2. Basis of presentation

These interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of financial statements, and International Accounting Standard 34, Interim Financial Reporting.

The accounting policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 28, 2017, which is the date on which the interim financial statements were authorized for issue by the Trustee.

3. Significant accounting policies

a) *Future accounting standards*

The following IFRS standards have been issued, but are not yet in effect:

In July 2014, the International Accounting Standards Board ("IASB") finalized the reform of financial instruments accounting and issued IFRS 9 Financial Instruments ("IFRS 9") (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement in its entirety upon its effective date.

Management is still evaluating the impact of the new standards, which becomes effective for annual periods beginning on or after January 1, 2018.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

3. Significant accounting policies (continued)

b) Valuation of investments

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's offering documents, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, 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. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial assets and financial liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. 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.

c) Classification

The Fund classifies its investments in debt and equity securities and derivatives as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets and financial liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are classified as held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

(ii) Financial assets and financial liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund classifies all other investments as designated at fair value through profit or loss.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular purchases and sales of financial assets are recognized at their trade date. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring its net asset value ("NAV") for transactions with unitholders is the same as the accounting policies used to measure the fair value of its investments and derivatives.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

3. Significant accounting policies (continued)

Other assets and liabilities – including: dividends and interest receivable, subscriptions receivable, distribution receivable and due from management company are classified as loans and receivables and recorded at cost or amortized cost. Similarly, accrued expenses, redemptions payable and distributions payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature, and are carried at amortized cost which approximates fair value.

d) *Recognition/derecognition*

The Fund recognizes financial assets and liabilities at fair value through profit and loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date – the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statements of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

e) *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

f) *Transaction costs*

Transaction costs are expenses and are included in "transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The cost of investments for each security is determined on an average cost basis.

g) *Unit valuation and valuation date*

Units are issued and redeemed on a continuing basis at the Transactional NAV per unit which is determined for each series of units of the Fund on each day that the Toronto Stock Exchange is open for business. The value of each unit of a series of units of the Fund is determined by dividing the aggregate net assets value of that series of units of the Fund, calculated in accordance with the Fund's offering documents, by the total number of units of that series of units of the Fund outstanding at the close of business on the valuation day.

h) *Revenue recognition*

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 interest on debt securities at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

3. Significant accounting policies (continued)

i) Foreign currency translation

The monetary assets and liabilities of the Fund are translated into Canadian dollars, the Fund's functional currency, at exchange rates in effect at the date of the Statement of Financial Position. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Foreign exchange gains and losses are included in the Statements of Comprehensive Income for the year. Purchases and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the dates of the transactions.

j) 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 units by the total number of units of that particular series outstanding at the end of the period.

k) Decrease in net assets attributable to holders of redeemable units per unit

Decrease in net assets attributable to holders of redeemable units per unit is based on the decrease in net assets attributable to holders of redeemable units attributed to each series of units, divided by the weighted average number of units outstanding of that series during the period. Refer to Note 12 for the calculation.

l) Cash

Cash consists of cash held at a bank or custodian. Cash is carried at cost plus accrued interest, which approximates fair value.

4. Critical accounting estimates and judgments

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. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39. The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those which are not.

Functional and presentation currency

The Fund considers its functional and presentation currency to be the Canadian dollar. The Fund's performance is evaluated and its liquidity is managed in Canadian dollars.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

5. Redeemable units of the fund

Redeemable units of the Fund are issued or redeemed on a daily basis at the net asset value per unit.

Summary of purchase/reinvestment and redemption of units:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redeemable Units, end of period
June 30, 2017			
Series A	–	363,861	363,861
Series F	–	347,969	347,969

6. Expenses

Management fees

The Manager is responsible for managing the business and affairs of the Fund pursuant to management agreements or trust indentures.

The Manager receives management fees which are calculated daily and paid on a monthly basis. The management fee is based on the weighted Transactional NAV at a prescribed rate according to the Fund's offering documents. The annual percentage rates of the Fund's management fees are as follows:

Series A	1.40%
Series F	0.90%

The management fees for Series I are negotiable between individual investor and the Manager, and payable by the individual investors, not the Fund. Subject to all applicable taxes, the maximum management fees charged in respect of Series I units will not exceed 0.90% of the average net assets of the Series I units held by the investor.

The management fee is calculated and accrued daily based on the weighted average net asset value per series of units and is paid on the last day of each month. During the period the Fund incurred management fees of \$15,269. As at June 30, 2017, \$7,290 of management fees are payable to the Manager.

Performance fees

The Manager is entitled to receive a performance fee in respect of each series of the Fund. The performance fee is equal to 10% of any growth of each series' net asset value per unit in excess of the DEX Canada High Yield Bond plus 1% ("Benchmark Hurdle Return") for each calendar year, providing that for the first calendar year in which a series comes into existence, the Performance Fee for the series will be based on the growth and Benchmark Hurdle Return from the date the series first comes into existence to the first performance fee calculation date. During the period the Fund incurred performance fees of \$nil. As at June 30, 2017, \$nil of performance fees are payable to the Manager.

Administrative fees and expenses

All fees and expenses applicable to the administration and operation of the Fund, including legal, audit fees, interest, expenses of financial and other reports, and expenses relating to regulatory compliance are the responsibility of the Fund. Brokerage commissions are also paid by the Fund.

The Manager has the discretion, from time to time, to waive or absorb expenses associated with the Fund. The amounts of the absorbed or waived expenses are reported in the Statements of Comprehensive Income.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

7. Income taxes and distributions

Taxation of open-ended mutual fund trusts

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). The Fund has a December 31 year-end for income tax purposes. The financial statements of the Fund do not include a provision for income taxes because any net investment income, including capital gains, is distributed throughout the year to unitholders or is distributable to unitholders and is taxable in their hands. Income tax on capital gains not paid to unitholders is recoverable pursuant to a formula based upon redemption of units of the Fund. Any tax losses are not deductible by the unitholders but may be carried forward by the Fund as permitted by the Income Tax Act (Canada). Withholding taxes on foreign dividend income are deducted at source.

8. Financial risk management

The Fund's financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include market risk, currency risk, interest rate risk, credit risk and liquidity 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, and market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objectives and the type of securities in which it invests. These risks and related risk management practices employed by the Fund are discussed below:

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Fund's market price risk is managed through diversification of the Fund's investments. The Investment Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

The Fund's market risk is affected by three main components: changes in actual market prices, changes in interest rates and foreign currency movements. As at June 30, 2017, the Fund does not have significant exposure to the market risk.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

8. Financial risk management (continued)

b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises 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 Fund's assets and liabilities are short-term in nature and/or non-interest bearing.

The table below summarizes the Fund's exposure to interest rate risk, categorized by earlier of contractual re-pricing or maturity dates.

	0-3 Years (\$)	3-5 Years (\$)	More than 5 Years (\$)	Total (\$)
Interest Rate exposure (June 30, 2017)	1,758,370	1,359,324	2,882,359	6,000,053

At June 30, 2017, should interest rates have increased or decreased by 0.25%, with all other variables remaining constant, net asset value would have decreased or increased respectively, by approximately \$2,454. Actual results may differ from this sensitivity analysis and the difference could be material.

c) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Schedule of Investment Portfolio identifies all investments denominated in foreign currencies. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency, the Canadian dollar, in determining fair value.

The potential impact to the Fund's net assets attributable to holders of redeemable units, all other variables held constant, as a result of a 5% increase/decrease in net income in the currencies in the table below, relative to the Canadian dollar, will result in the decrease/increase to net assets attributable to holders of redeemable units \$35,293. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

The following table illustrates the Fund's exposure to foreign currencies:

	June 30, 2017
	\$
United States Dollar	(705,853)
Total	(705,853)

d) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand, at the option of the unitholder, at the current Transactional NAV per unit. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. Accrued liabilities are generally due within 90 days.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

8. Financial risk management (continued)

e) Credit risk

Credit risk represents the potential loss that the Fund would incur if the counterparties failed to perform in accordance with the terms of their obligations to the Fund. The Fund maintains all of its cash and cash equivalents at its custodian or in overnight deposits with a Canadian chartered bank. All transactions 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. 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.

The Fund may invest in financial assets that are private placements and as such, are not rated by Dominion Bond Rating Services, S&P Global and Moody's. Ratings for securities that subject the portfolio to credit risk at June 30, 2017 is noted below:

Portfolio by rating category

	June 30, 2017
	As a % of net assets attributable to holders of redeemable units
Rating	
B1	2.2 %
B	30.7 %
BB	13.0 %
B-	13.4 %
BB-	23.6 %
Not rated	2.2 %
Total	85.1 %

All transactions in listed securities are settled 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. 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. The Fund's maximum credit risk exposure is represented by its investments in fixed income.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

8. Financial risk management (continued)

c) Investment concentration risk

The following table classifies the Fund's investments by economic sector concentrations as a percent of net assets as at June 30, 2017.

	June 30, 2017	
	Percent of net assets	Fair value
	%	CAD\$
Information Technology	30.0	2,122,208
Industrials	16.1	1,131,058
Materials	15.0	1,056,675
Consumer Discretionary	11.8	829,143
Financials	7.6	534,209
Health Care	2.5	175,542
Utilities	2.1	151,218
Total equities	85.1	6,000,053
Other assets less liabilities	14.9	1,045,143
Total net assets value	100.0	7,045,196

9. Fair value hierarchy

Financial instrument disclosures

The Fund uses a three-level hierarchy that reflects the significance of the input used when assessing the fair value of financial assets and liabilities and is presented below:

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).

The fair value of the Fund's financial assets as of June 30, 2017, is as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Fixed Income	\$ -	\$ 6,000,053	\$ -	\$ 6,000,053
Forward contracts	-	158,465	-	158,465
	\$ -	\$ 6,158,518	\$ -	\$ 6,158,518
Liabilities				
Forward contracts	\$ -	\$ 28,197	\$ -	\$ 28,197
	\$ -	\$ 28,197	\$ -	\$ 28,197

There were no transfers between levels during the period.

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

9. Fair value hierarchy (continued)

Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities carried at amortized cost whose carrying amounts approximate fair value.

10. Commissions and related party transactions

The Manager and Caldwell Securities Ltd., ("CSL") a broker, are both wholly-owned subsidiaries of Caldwell Financial Ltd. The following brokerage equity commissions, included in 'transactions costs' in the Statements of Comprehensive Income were paid to CSL for the period ended June 30, 2017:

	<u>2017</u>
	\$
Clearpoint Short Term Credit Income Fund	-

Neither the Manager nor the Funds have received any soft dollar commissions from brokers to pay for third-party research services.

11. Comparison of net asset value (Trading NAV) per unit and net asset value (IFRS) per unit

The primary reason for the difference between the Net Asset Value (trading NAV) per unit and the Net Asset Value (IFRS) per unit is due to offering costs which have been expensed for financial reporting purposes.

	Net Asset Value Per Unit (Trading NAV)	Net Assets Per Unit (IFRS)
June 30, 2017		
Series A	\$ 9.89	\$ 9.89
Series F	9.91	9.91

12. Decrease in net assets attributable to holders of redeemable units per unit

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

	Decrease in Net Assets Attributable to Holders of Redeemable Units per Series	Weighted Average of Redeemable Units Outstanding During the Period	Decrease in Net Assets Attributable to Holders of Redeemable Units per Unit
June 30, 2017			
Series A	\$ (26,601)	292,092	\$ (0.09)
Series F	(10,918)	207,241	(0.05)

Clearpoint Short Term Income Fund

Notes to the Financial Statements

From the commencement of operations, April 5, 2017 to June 30, 2017

13. Net loss from financial assets at fair value through profit or loss

	2017
Net realized loss on financial assets and liabilities	
Held for trading	\$ 30,967
Designated at fair value through profit and loss	(35,839)
	\$ (4,872)
Net change in unrealized loss on financial assets and liabilities	
Held for trading	\$ 130,268
Designated at fair value through profit and loss	(148,633)
	\$ (18,365)
Net loss	\$ (23,237)

The realized gain (loss) from financial assets at fair value through profit or loss represents the difference between the carrying amount of the financial asset at the beginning of the reporting period, or the transaction price if it was purchased during the reporting period, and its sale or settlement price.

The unrealized gain represents the difference between the carrying amount of a financial asset at the beginning of the reporting period, or the transaction price if it was purchased during the reporting period, and its carrying amount at the end of the reporting period.

14. Events after Statement of Financial Position date

There have been no significant events after the Statement of Financial Position date and the date of authorization of the financial statements which in the opinion of management requires additional disclosure in the financial statements.

15. Approval of financial statements

The financial statement were approved by the Manager and Trustee, and authorized for issue on August 28, 2017.