



# Voya High Income Floating Rate Fund

**Semi-Annual Financial Statements**

**January 31, 2017**

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## MANAGEMENT REPORT OF FUND PERFORMANCE

This semi-annual management report of fund performance for **Voya High Income Floating Rate Fund** (the “Fund”) contains financial highlights but does not contain the complete semi-annual financial statements of the Fund. **The semi-annual financial statements and accompanying notes are attached to this report.**

You can obtain a copy of the semi-annual financial statements at no cost by writing to LOGiQ Asset Management Ltd. (formerly, Aston Hill Capital Markets Inc.) (the “Manager”) to the following address: LOGiQ Asset Management Ltd., 77 King Street West, Suite 2110, PO Box 92, Toronto, Ontario, M5K 1G8 or calling 1-800-513-3868 or visiting the Manager’s website at [www.logiqasset.com](http://www.logiqasset.com) or by visiting [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

### THE FUND

The Fund is a non-redeemable investment fund established under the laws of the Province of Ontario and governed by the Fund’s Trust Agreement (the “Trust Agreement”) dated September 26, 2013 between the Manager and Computershare Trust Company of Canada (the “Trustee”). The Fund’s principal office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8. The fiscal year-end of the Fund is July 31.

The beneficial interest in the net assets and net income of the Fund is divided into Units of two classes, Class A Units (the “Class A Units”) and Class U Units (the “Class U Units”). The Class A Units are listed on the Toronto Stock Exchange (the “TSX”) under the symbol IHL.UN. The Class U Units are not listed on a stock exchange but may be converted into Class A Units on a weekly basis. The Class U Units are designed for investors wishing to make their investment in U.S. Dollars.

On November 30, 2016, Aston Hill Capital Markets Inc. was amalgamated into Aston Hill Asset Management Inc. On December 8, 2016, Aston Hill Asset Management Inc., as part of Aston Hill Financial Inc. (“Aston Hill”) and together with Front Street Capital 2004 (“Front Street”) and Tuscarora Capital Inc. (“TCI”), an entity under common control with Front Street, completed a previously announced transaction whereby Aston Hill would acquire all of the equity interests in the Front Street and TCI, and the companies would combine their respective operations. As part of the transaction, Aston Hill also changed its name to LOGiQ Asset Management Inc. and consequently Aston Hill Asset Management Inc. changed its name to LOGiQ Asset Management Ltd.

### INVESTMENT OBJECTIVES AND STRATEGIES

The Fund’s investment objectives are to:

- (i) provide monthly cash distributions;
- (ii) preserve capital; and
- (iii) generate increased returns in the event that short-term interest rates rise above applicable LIBOR floors, in each case, through exposure to a diversified portfolio (the “Portfolio”) consisting primarily of senior secured floating rate corporate loans and second lien secured floating rate loans of non-investment grade North American borrowers, and actively managed by Voya Investment Management Co. LLC (the “Sub-Advisor”).

In order to achieve the Fund’s investment objectives, the Sub-Advisor invests in a broadly diversified portfolio (the “Portfolio”) composed primarily of first lien, senior secured floating rate loans and second lien secured floating rate loans. The Sub-Advisor generally seeks to make investments in Loans of non-investment grade North American borrowers that have (i) significant levels of assets and/or cash flow coverage; (ii) a protective capital structure; (iii) strong senior management; and (iv) attractive market positioning. The Portfolio consists primarily of Loans (the senior secured floating rate loans (“Senior Loans”) and “Second Lien Loans”) that are expected to generate increased Portfolio cash flow in the event that short-term interest rates rise above applicable LIBOR floors (which set a minimum LIBOR rate for such loans). Up to 20% of Total Assets of the Fund may be invested in corporate bonds, unsecured loans and notes with fixed and floating interest rates and structured credit notes.

### RISK

Changes in the risk exposure of the Fund occurred in the following area:

#### *Use of leverage*

The Fund may employ leverage of up to 35% of total assets (the “Leverage Factor”) for the purposes of acquiring assets for the Portfolio and such other short-term funding purposes as may be determined by the Sub-Advisor, in consultation with the Manager, from time to time and in accordance

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with the Investment Strategy. Accordingly, the maximum amount of leverage that the Trust could employ is 1.54:1. If there is a decline in the value of the assets in the Portfolio, the leverage will cause a decrease in the Net Asset Value of the Fund in excess of that which would otherwise be experienced if no leverage was utilized.

During the six-month period ended January 31, 2017, the Fund applied leverage in the range from 0.0% to 16.0% or from U.S. \$0 to U.S. \$4,200,000 (the Canadian equivalent was \$0 to \$5,526,752) (During the six-month period ended January 31, 2016, the Fund applied leverage in the range from 23.3% to 33.9% or from U.S. \$10,200,000 to U.S. \$14,100,000 (the Canadian equivalent was \$13,345,178 to \$20,637,479)). The leverage factor as of January 31, 2017 was 0.0% and the borrowed balance was U.S. \$0 (the Canadian equivalent was \$0) (The leverage factor as of January 31, 2016 was 28.0% and the borrowed balance was U.S. \$11,000,000 (the Canadian equivalent was \$15,479,745)). Since November 01, 2016, the Fund has not applied any leverage.

For full disclosure of the risks associated with an investment in the Fund's Units, please refer to the Prospectus dated September 26, 2013. Both are available at [www.sedar.com](http://www.sedar.com).

## RESULTS OF OPERATIONS

### *Sub-Advisor's Commentary (as at March 2017)*

#### **Performance Summary**

During the six-month period ended January 31, 2017, the Class A Units of Voya High Income Floating Rate Fund delivered a NAV return of 1.45%, as compared to 4.50% for the S&P/LSTA Leveraged Loan Index ("Index") for the same period.

#### **Market Review**

The six-month period was more of the same for the loan market, with a strong demand technical which outpaced new loan issuance and led to positive returns in the secondary market and some slight spread compression as a result of continued refinancing activity in the primary market. Against this backdrop, senior loans, as represented by the S&P/LSTA Leveraged Loan Index, posted a return of 4.50%.

Strong market technicals, combined with default activity that remained comfortably within expectations, had the effect of further lifting performing loan prices closer to par (68% of the performing names in the Index were bid at par or higher as of January 31) and, as such, the riskier/lower-rated cohorts of the market continued to outperform in predictable fashion. Loans rated CCC outperformed the broad Index for the period with a return of 17.69%. Conversely, BB loans trailed the broad Index with a return of 2.61%. Single B loans just barely topped the Index with a return of 4.57%.

Default activity for the Index remained well below the long-term average for the asset class, both by principal amount and number of issuers, with the trailing twelve-month rates easing to 1.56% and 1.77%, respectively, as of January 31.

#### **Portfolio Review**

The portfolio recorded a total net return of 1.45%, 305 bps behind the Index return of 4.50%. An underweight and avoidance of some of the largest outperformers in the Oil & Gas sector and Nonferrous Metals/Minerals, which generally remain challenged from a credit perspective, were the primary detractors to the portfolio's performance over the period. Additionally, an overweight to the Retail sector, which continues to face headwinds, and an overweight to Healogics, Inc. (Health Care), which continues to suffer from an over-levered balance sheet and weaker than expected financial performance, weighed on relative returns. An overweight to SourceHOV (Business Equipment & Services), which traded higher on news of a pending merger, and an overweight to Compuware Corporation, which traded higher based on improved financial performance, were the largest relative contributors over the period.

The portfolio had a weighted average coupon of 5.10% as of January 31, compared to the Index weighted average coupon of 4.91%. There were no defaults in the portfolio during the reporting period, versus four defaults within the Index.

#### **Outlook and Current Strategy**

We note that LIBOR currently stands at 1.11% (90-day), after rising about 80 bps over the last 18 months. With the expectation of additional Fed rate hikes in 2017, including the confirmation of a March rate hike, investors are likely to continue allocating to loans based on their current relative value proposition. Given this strong technical backdrop coupled with solid fundamentals (economic growth and benign default environment), we view the loan market as entering March with a strong positive bias.

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**Caution regarding forward-looking statements**

This information is proprietary and cannot be reproduced or distributed. Certain information may be received from sources Voya Investment Management (“Voya IM”) considers reliable; Voya IM does not represent that such information is accurate or complete. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial data. Actual results, performance or events may differ materially from those in such statements. Any opinions, projections, forecasts and forward looking statements presented herein are valid only as of the date of this document and are subject to change. Nothing contained herein should be construed as (i) an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Voya IM assumes no obligation to update any forward-looking information.

Past performance is no guarantee of future results.

**MARKET REPURCHASES**

The Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager’s assessment that such purchases are accretive to Unitholders, in all cases at a price per Unit not exceeding the most recently calculated Net Asset Value per Unit of the Class A Units immediately prior to the date of any such purchase of Class A Units.

The Fund did not purchase Class A Units for cancellation during the six-month period ended January 31, 2017 (nil during the six-month period ended January 31, 2016).

**CAPITAL TRANSACTIONS**

On October 22, 2013, the Fund completed an initial public offering pursuant to the Prospectus dated September 26, 2013. \$76,000,000 was raised through the issue of 7,600,000 Class A Units and U.S. \$4,003,300 was raised through the issue of 400,330 Class U Units. The Class A Units were issued at \$10.00 per Unit and incurred Agents’ fees and issue expenses of \$4,701,457 or \$0.62 per Unit, for an opening Transactional NAV of \$9.38 per Unit. The Class U Units were issued at U.S. \$10.00 per Unit and incurred Agents’ fees and issue expenses of U.S. \$247,649 or U.S. \$0.62 per Unit, for an opening Transactional NAV of U.S. \$9.38 per Unit.

On November 14, 2013, the Agents exercised an over-allotment option in respect of 69,418 Class A Units, raising a further \$694,180. The Agents’ fees totalled \$36,444 or \$0.525 per Unit.

During the six-month period ended January 31, 2017, the Fund redeemed 1,500 units of Class U for net payment of \$14,942. (During the six-month period ended January 31, 2016, the Fund redeemed 23,000 units of Class U for net payment of \$238,779. There were 23,260 units of Class U converted to 30,412 units of Class A for a total value of \$264,625).

**DISTRIBUTIONS**

The Fund does not have a fixed distribution policy but intends to make monthly distributions based on the actual and expected returns on the Portfolio to Unitholders of record on the last business day of each month. The Fund paid an initial distribution of \$0.07042 per Class A Unit and U.S. \$0.07042 per Class U Unit covering the period from October 22, 2013 (commencement of operations) to November 30, 2013. These distributions represent an annualized current yield of 6.50% based on the initial offering price of \$10.00 per Unit. The Fund made regular monthly distributions of \$0.05417 per Class A Unit and U.S. \$0.05417 per Class U Unit thereafter.

In total, the Fund paid distributions of \$0.32502 per Class A Unit and U.S. \$0.32502 per Class U Unit during the six-month period ended January 31, 2017 (\$0.32502 per Class A Unit and U.S. \$0.32502 per Class U Unit during the six-month period ended January 31, 2016).

**RECOMMENDATIONS OR REPORTS BY THE INDEPENDENT REVIEW COMMITTEE**

The Independent Review Committee of the Fund tabled no special reports and made no extraordinary material recommendations to management of the Fund during the six-month periods ended January 31, 2017 and 2016.

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## RELATED PARTY TRANSACTIONS

### Management Fees

The Manager receives a management fee from the Fund equal in the aggregate to 1.25% per annum of the applicable Net Asset Value plus applicable taxes, calculated and payable monthly in arrears.

The management fees charged to the Fund during the six-month period ended January 31, 2017 were \$181,220 plus applicable taxes (during the six-month period ended January 31, 2016 were \$263,921 plus applicable taxes).

The Manager is responsible for payment of the Sub-Advisor fees out of these management fees.

### Service Fees

The Fund pays a service fee to each registered dealer whose clients hold Class A Units or Class U Units of the Fund at the end of each calendar quarter. The service fee is equal to 0.40% annually of the Net Asset Value plus applicable taxes for each Class A Unit or Class U Unit held by the clients of registered dealers, calculated and paid at the end of each calendar quarter.

The service fees charged to the Fund during the six-month period ended January 31, 2017 were \$57,990 (during the six-month period ended January 31, 2016 were \$105,358).

### Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter. During the six-month period ended January 31, 2017, administration fees amounted to \$9,406 (\$12,468 during the six-month period ended January 31, 2016).

## INDEPENDENT REVIEW COMMITTEE (“IRC”) FEE

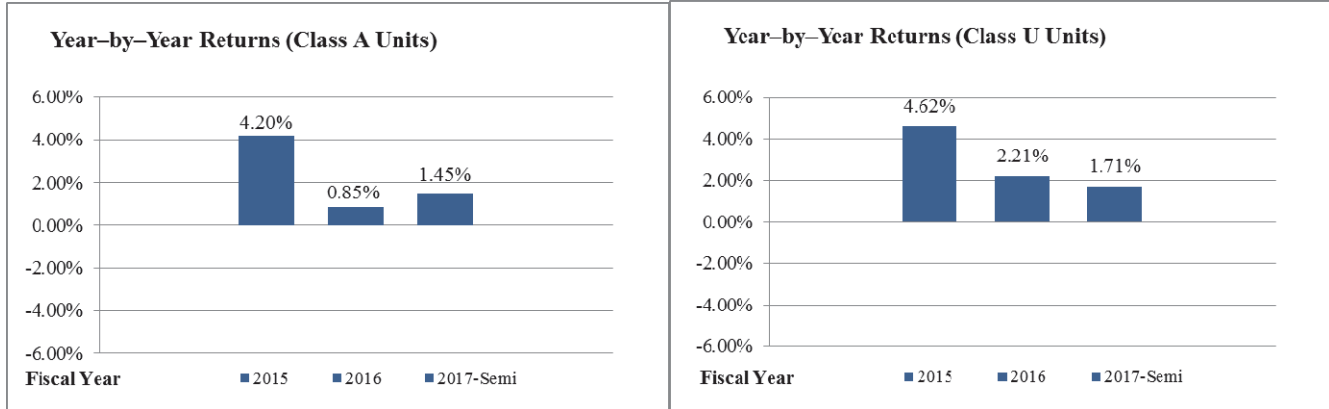
The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

The IRC members each receive \$15,000 per annum (\$20,000 for the Chairman) plus \$1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment funds that are managed by the Manager in a manner that is fair and reasonable.

The IRC fees charged to the Fund during the six-month period ended January 31, 2017 were \$1,106 (during the six-month period ended January 31, 2016 were \$997).

## PAST PERFORMANCE

The following bar charts and table show the Fund's semi-annual performance of the Class A Units and Class U Units by showing semi-annual returns by fiscal year assuming all the distributions made by the Fund during the six-month period shown were reinvested. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. The bar charts show, in percentage terms, how much an investment made on the first day of the period would have grown or decreased by the last day of the period. Past performance is not necessarily indicative of future performance.



## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to aid in understanding the Fund's financial performance since inception. This information is derived from the Fund's unaudited semi-annual and audited annual financial statements:

### Class A Units:

The Fund's Net Assets per Class A Unit:	January 31,	July 31,	July 31,	July 31,
	2017 <sup>(2)</sup>	2016	2015	2014 <sup>(1)(6)</sup>
	CAD	CAD	CAD	CAD
<b>Net Assets, beginning of period</b> <sup>(7)</sup>	<b>8.49</b>	<b>9.09</b>	<b>9.36</b>	<b>10.00</b>
<b>Unit issue expense</b> <sup>(3)</sup>	—	—	—	<b>(0.62)</b>
<b>Increase (decrease) from operations:</b>				
Total revenues	0.22	0.74	0.80	0.59
Total expenses	(0.13)	(0.24)	(0.25)	(0.19)
Realized gains (losses) for the period	0.19	0.76	(1.03)	(0.01)
Unrealized gains (losses) for the period	(0.16)	(1.27)	0.83	0.09
<b>Total increase (decrease) from operations</b> <sup>(4)</sup>	<b>0.12</b>	<b>(0.01)</b>	<b>0.35</b>	<b>0.48</b>
<b>Distributions:</b>				
From income (excluding dividends)	<b>(0.19)</b>	(0.36)	(0.45)	(0.23)
From dividends	—	—	—	—
From capital gains	—	—	—	(0.27)
Return of capital	(0.14)	(0.29)	(0.20)	—
<b>Total Distributions</b> <sup>(5)</sup>	<b>(0.33)</b>	<b>(0.65)</b>	<b>(0.65)</b>	<b>(0.50)</b>
<b>Net Assets, end of period</b> <sup>(6)(7)</sup>	<b>8.28</b>	<b>8.49</b>	<b>9.09</b>	<b>9.36</b>

<sup>(1)</sup> Results for the period from October 22, 2013 (commencement of operations) to July 31, 2014.

<sup>(2)</sup> Results for the six-month period ended January 31, 2017.

<sup>(3)</sup> Issue expenses of \$4,737,901 incurred in connection with the Class A Units issuance. The full amount of issue expenses was deducted from the unit capital for accounting purposes and is amortized over a period of five years for tax purposes.

<sup>(4)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 3,218,676 Class A Units outstanding as of January 31, 2016 (July 31, 2016 – 4,352,163 units).

<sup>(5)</sup> The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

<sup>(6)</sup> This is not a reconciliation between the opening and the closing net assets per unit.

<sup>(7)</sup> The Fund adopted International Financial Reporting Standards ("IFRS") commencing August 1, 2014. This information for the period from October 22, 2013 (commencement of operations) to July 31, 2014 is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class A Units):	January 31,	July 31,	July 31,	July 31,
	2017 <sup>(2)</sup>	2016	2015	2014 <sup>(1)</sup>
	CAD	CAD	CAD	CAD
Net assets (000's)	26,666	27,318	41,422	71,797
Number of units outstanding	3,218,676	3,218,676	4,558,494	7,669,335
Base Management expense ratio <sup>(3)(4)</sup>	2.94%	2.34%	2.32%	2.38%
Interest expenses ratio <sup>(3)(4)</sup>	0.14%	0.47%	0.39%	0.27%
Issue expenses ratio <sup>(2)(3)</sup>	0.00%	0.00%	0.00%	6.59%
Management expense ratio (annualized) <sup>(4)</sup>	3.08%	2.81%	2.71%	9.24%
Management expense ratio before waivers or absorptions (annualized) <sup>(4)</sup>	3.08%	2.81%	2.71%	9.24%
Portfolio turnover rate <sup>(5)</sup>	60.00%	85.05%	96.22%	130.30%
Trading expense ratio <sup>(6)</sup>	0.00%	0.00%	0.00%	0.00%
Closing market price (TSX)	8.14	8.07	8.75	9.03

<sup>(1)</sup> Results for the period from October 22, 2013 (commencement of operations) to July 31, 2014.

<sup>(2)</sup> Results for the six-month period ended January 31, 2017.

<sup>(3)</sup> A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio: representing all Agents' fees and unit issue expenses.

<sup>(4)</sup> MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>(5)</sup> The Fund's 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's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.

<sup>(6)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

**Class U Units:**

	January 31, 2017 <sup>(2)</sup>	July 31, 2016	July 31, 2015	July 31, 2014 <sup>(1)(6)</sup>
	USD	USD	USD	USD
The Fund's Net Assets per Class U Unit:				
<b>Net Assets, beginning of period<sup>(7)</sup></b>	<b>8.58</b>	<b>9.06</b>	<b>9.30</b>	<b>10.00</b>
<b>Unit issue expense<sup>(3)</sup></b>	—	—	—	<b>(0.62)</b>
<b>Increase (decrease) from operations:</b>				
Total revenues	0.22	0.75	0.78	0.59
Total expenses	(0.13)	(0.25)	(0.24)	(0.19)
Realized gains (losses) for the period	0.34	0.84	0.44	0.35
Unrealized gains (losses) for the period	(0.29)	(1.35)	0.86	0.19
<b>Total increase (decrease) from operations<sup>(4)</sup></b>	<b>0.14</b>	<b>(0.01)</b>	<b>1.84</b>	<b>0.94</b>
<b>Distributions:</b>				
From income (excluding dividends)	(0.19)	(0.36)	(0.45)	(0.23)
From dividends	—	—	—	—
From capital gains	—	—	—	—
Return of capital	(0.14)	(0.29)	(0.20)	(0.27)
<b>Total Distributions<sup>(5)</sup></b>	<b>(0.33)</b>	<b>(0.65)</b>	<b>(0.65)</b>	<b>(0.50)</b>
<b>Net Assets, end of period<sup>(6)(7)</sup></b>	<b>8.40</b>	<b>8.58</b>	<b>9.06</b>	<b>9.30</b>

<sup>(1)</sup> Results for the period from October 22, 2013 (commencement of operations) to July 31, 2014.

<sup>(2)</sup> Results for the six-month period ended January 31, 2017.

<sup>(3)</sup> Issue expenses of U.S. \$247,649 incurred in connection with the Class U Units issuance. The full amount of issue expenses was deducted from the unit capital for accounting purposes and is amortized over a period of five years for tax purposes.

<sup>(4)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 143,958 Class U Units outstanding as of January 31, 2016 (July 31, 2016 – 194,690 units).

<sup>(5)</sup> The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

<sup>(6)</sup> This is not a reconciliation between the opening and the closing net assets per unit.

<sup>(7)</sup> The Fund adopted International Financial Reporting Standards ("IFRS") commencing August 1, 2014. This information for the period from October 22, 2013 (commencement of operations) to July 31, 2014 is restated under IFRS from Canadian GAAP.

	January 31, 2017 <sup>(2)</sup>	July 31, 2016	July 31, 2015	July 31, 2014 <sup>(1)</sup>
	USD	USD	USD	USD
Ratios and Supplemental Data (Class U Units):				
Net assets (000's)	1,209	1,248	2,152	3,711
Number of units outstanding	143,950	145,450	237,610	399,030
Base Management expense ratio <sup>(3)(4)</sup>	2.94%	2.51%	2.04%	2.37%
Interest expenses ratio <sup>(3)(4)</sup>	0.14%	0.46%	0.36%	0.27%
Issue expenses ratio <sup>(2)(3)</sup>	0.00%	0.00%	0.00%	6.26%
Management expense ratio (annualized) <sup>(4)</sup>	3.08%	2.97%	2.40%	8.90%
Management expense ratio before waivers or absorptions (annualized) <sup>(4)</sup>	3.08%	2.97%	2.40%	8.90%
Portfolio turnover rate <sup>(5)</sup>	60.00%	85.05%	96.22%	130.30%
Trading expense ratio <sup>(6)</sup>	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> Results for the period from October 22, 2013 (commencement of operations) to July 31, 2014.

<sup>(2)</sup> Results for the six-month period ended January 31, 2017.

<sup>(3)</sup> A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio: representing all Agents' fees and unit issue expenses.

<sup>(4)</sup> MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction cost) of the Fund for the stated period, including interest expense and issuance costs, if applicable, and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>(5)</sup> The Fund's 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's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.

<sup>(6)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.



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**SUMMARY OF INVESTMENT PORTFOLIO AS OF JANUARY 31, 2017**

The summary of investment portfolio may change due to on-going portfolio transactions of the Fund. A quarterly update is available at [www.logiqasset.com](http://www.logiqasset.com).

<b>Portfolio by Category</b>	<b>Tranche Description</b>	<b>Maturity date</b>	<b>Fair value \$</b>	<b>% of NAV</b>
Term loans			23,597,357	83.7%
Equities			393,458	1.2%
Foreign Currency Forward Contracts			386,866	1.4%
Cash			5,572,002	19.7%
Net other assets (liabilities)			(1,707,276)	(6.0%)
<b>Top 25 Holdings</b>				
Cash			5,572,002	19.7%
Rackspace Hosting, Inc.	Term Loan B	Nov/03/2023	659,667	2.3%
Huntsman International, LLC	2016 Term Loan B	Apr/01/2023	658,666	2.3%
XPO Logistics, Inc.	Term Loan B	Oct/31/2021	657,986	2.2%
Encompass Digital Media, Inc.	1st Lien Term Loan	Jun/05/2021	608,566	2.2%
Avolon Holdings Ltd.	Term Loan B-2	Jan/20/2022	528,779	1.9%
Western Digital Corporation	USD Term Loan B-1	Apr/29/2023	527,024	1.9%
Albertsons, LLC	Term Loan-B4	Aug/15/2021	524,890	1.9%
SourceHOV, LLC	2nd Lien Term Loan	Apr/30/2020	430,917	1.5%
CBAC Borrower, LLC	Funded Term Loan B	Jul/02/2020	387,674	1.4%
Spin Holdeo, Inc.	Mar 2015 Upsized Term Loan	Nov/14/2019	387,281	1.4%
Foreign Currency Forward Contracts			386,866	1.4%
Gardner Denver, Inc.	Term Loan B USD	Jul/30/2020	384,357	1.4%
Asurion, LLC	Incremental Tranche B-4 Term Loan	Aug/04/2022	384,048	1.4%
Hawaiian Telcom Communications, Inc.	Term Loan B	Jun/06/2019	375,269	1.3%
Amaya Gaming Group, Inc.	Incremental 1st Lien Term Loan	Aug/01/2021	375,263	1.3%
Blount International, Inc.	Term Loan B USD	Apr/12/2023	328,362	1.2%
KAR Auction Services, Inc.	Term Loan B-3	Mar/09/2023	327,939	1.2%
Windstream Corporation	Upsized Term Loan B-6	Mar/29/2021	327,622	1.2%
Sedgwick Holdings, Inc.	Incremental 1st Lien Term Loan	Feb/28/2021	327,348	1.2%
Select Medical Corporation	Series F Tranche B	Mar/03/2021	326,930	1.2%
LPL Holdings, Inc.	2022 Tranche B Term Loan	Nov/20/2022	326,712	1.2%
SolarWinds Holdings, Inc.	Term Loan	Feb/05/2023	325,651	1.2%
Acadia Healthcare Company, Inc.	Term Loan B-2	Feb/16/2023	325,502	1.2%
BJ's Wholesale Club, Inc.	1st Lien Term Loan	Sep/26/2019	325,406	1.2%
<b>Net asset value</b>			<b>\$28,242,407</b>	

## **Voya High Income Floating Rate Fund**

Financial Statements (Unaudited)

**January 31, 2017**

*Notice to Reader:*

*These semi-annual financial statements and related notes for the six-month period ended January 31, 2017 have been prepared by Management of LOGIQ Asset Management Ltd. The auditors of the Fund have not audited or reviewed these semi-annual financial statements.*

## STATEMENTS OF FINANCIAL POSITION

As at	January 31, 2017	July 31, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash	\$ 5,572,002	\$ -
Financial assets at fair value through profit or loss	23,990,815	32,876,113
Receivable from investment sales	871,503	1,150,116
Interest receivable	91,086	165,324
Other receivable	83,245	96,737
Unrealized appreciation of foreign currency forward contracts	386,866	-
	<b>30,995,517</b>	<b>34,288,290</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Cash overdraft	-	94,524
Leverage (note 12)	-	3,651,340
Payable on investment purchases	2,403,875	1,204,633
Other accounts payable and accrued expenses	122,549	165,192
Management fees payable (note 10)	31,948	29,380
Service fees payable (note 10)	9,568	8,421
Distribution payable to unitholders	185,170	184,732
Interest payable	-	268
Unrealized depreciation of foreign currency forward contracts	-	4,509
	<b>2,753,110</b>	<b>5,342,999</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 28,242,407</b>	<b>\$ 28,945,291</b>
<b>Net Assets attributable to holders of redeemable units per class</b>		
Class A	\$ 26,666,197	\$ 27,318,270
Class U	\$ 1,576,210	\$ 1,627,021
Class U (USD)	USD \$ 1,208,985	USD \$ 1,247,600
<b>Redeemable units outstanding per class (note 5)</b>		
Class A	3,218,676	3,218,676
Class U	143,950	145,450
<b>Net assets attributable to holders of redeemable units per class per unit</b>		
Class A	\$ 8.28	\$ 8.49
Class U	\$ 10.95	\$ 11.19
Class U (USD)	USD \$ 8.40	USD \$ 8.58

Approved on behalf of the Manager,  
LOGiQ Asset Management Ltd.



**Mary Anne Palangio**  
Director & President



**Kal Zakarneh**  
Director & Chief Financial Officer

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

## STATEMENTS OF COMPREHENSIVE INCOME

For the six-month periods ended January 31	2017	2016
<b>Income</b>		
<b>Net Gains (Losses) on investments and derivatives at FVTPL (Note 3):</b>		
Interest for distribution purposes	\$ 815,568	\$ 1,949,251
Dividend income	(60,257)	-
Realized gain (loss) on sales of investments	1,387,280	2,528,984
Realized gain (loss) on foreign currency forward contracts	(517,177)	(4,484,316)
Change in unrealized appreciation (depreciation) on investments	(968,349)	(1,761,596)
Change in unrealized appreciation (depreciation) on foreign currency forward contracts	391,374	1,261,249
<b>Net Gains (Losses) on investments and derivatives at FVTPL</b>	<b>1,048,439</b>	<b>(506,428)</b>
<b>Other income comprised of:</b>		
Net foreign exchange gain (loss) on currency	(203,919)	(898,974)
Change in unrealized foreign exchange appreciation (depreciation) on currency	(9,910)	(190,900)
Change in unrealized foreign exchange (appreciation) depreciation on leverage	31,827	(358,327)
<b>Total other income</b>	<b>(182,002)</b>	<b>(1,448,201)</b>
<b>Total income (loss) before expenses</b>	<b>866,437</b>	<b>(1,954,629)</b>
<b>Expenses</b>		
Management fees (note 10)	181,220	263,921
Custodial and other unitholder fees	77,098	45,661
Service fees (note 10)	57,990	105,358
Harmonized sales tax	50,797	52,073
Interest expense (note 12)	21,307	105,808
Audit fees	14,421	21,648
Other expenses	11,956	13,510
Administration fees (note 10)	9,406	12,468
Transfer agent fees	7,309	9,301
Filing fees	6,612	7,360
Printing and mailing fees	3,890	5,042
Legal fees	2,720	1,512
IRC fees (note 11)	1,106	997
<b>Total expenses</b>	<b>445,832</b>	<b>644,659</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 420,605</b>	<b>\$ (2,599,288)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class</b>		
Class A units	\$ 394,061	\$ (2,616,497)
Class U units	\$ 26,544	\$ 17,209
Class U units (USD) <sup>(1)</sup>	USD 20,079	USD \$ 12,813
<b>Weighted average number of units outstanding</b>		
Class A	3,218,676	4,577,939
Class U	143,958	214,392
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class per unit <sup>(2)</sup></b>		
Class A units	\$ 0.12	\$ (0.57)
Class U units	\$ 0.18	\$ 0.08
Class U units (USD) <sup>(1)</sup>	USD 0.14	USD \$ 0.06

<sup>(1)</sup> (based on average exchange rate for the period)

<sup>(2)</sup> (based on weighted average number of units outstanding during the period)

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

## STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the six-month periods ended January 31	2017	2016
<b>Class A</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 394,061</b>	<b>\$ (2,616,497)</b>
<b>Distributions to holders of redeemable units from: (note 9)</b>		
Net investment income	(614,703)	(1,034,768)
Return on capital	(431,431)	(453,638)
	<b>(1,046,134)</b>	<b>(1,488,406)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Conversion from Class U to Class A	-	264,625
Payments on redemption /cancellation of redeemable units	-	-
	-	264,625
<b>Change in net assets attributable to holders of redeemable units during the year</b>	<b>(652,073)</b>	<b>(3,840,278)</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>27,318,270</b>	<b>41,421,902</b>
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 26,666,197</b>	<b>\$ 37,581,624</b>
<b>Class U</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 26,544</b>	<b>\$ 17,209</b>
<b>Distributions to holders of redeemable units from: (note 9)</b>		
Net investment income	(36,674)	(65,781)
Return on capital	(25,739)	(28,838)
	<b>(62,413)</b>	<b>(94,619)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Conversion from Class U to Class A	-	(264,625)
Payments on redemption /cancellation of redeemable units	(14,942)	(238,779)
	<b>(14,942)</b>	<b>(503,404)</b>
<b>Change in net assets attributable to holders of redeemable units during the year</b>	<b>(50,811)</b>	<b>(580,814)</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>1,627,021</b>	<b>2,800,025</b>
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 1,576,210</b>	<b>\$ 2,219,211</b>
<b>Total</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 420,605</b>	<b>\$ (2,599,288)</b>
<b>Distributions to holders of redeemable units from: (note 9)</b>		
Net investment income	(651,377)	(1,100,549)
Return on capital	(457,170)	(482,476)
	<b>(1,108,547)</b>	<b>(1,583,025)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Conversion from Class U to Class A	-	-
Payments on redemption /cancellation of redeemable units	(14,942)	(238,779)
	<b>(14,942)</b>	<b>(238,779)</b>
<b>Change in net assets attributable to holders of redeemable units during the year</b>	<b>(702,884)</b>	<b>(4,421,092)</b>
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	<b>28,945,291</b>	<b>44,221,927</b>
<b>Net assets attributable to holders of redeemable units, end of year</b>	<b>\$ 28,242,407</b>	<b>\$ 39,800,835</b>

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

## STATEMENTS OF CASH FLOWS

<b>For the six-month periods ended January 31</b>	<b>2017</b>	<b>2016</b>
<b>Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 420,605	\$ (2,599,288)
Adjustments to reconcile net cash provided by (used in) operations		
Change in unrealized foreign exchange (appreciation) depreciation on currency	9,910	190,900
Change in unrealized foreign exchange (appreciation) depreciation on leverage	(31,827)	358,327
Change in unrealized (appreciation) depreciation on investments	968,349	1,761,596
Change in unrealized (appreciation) depreciation on foreign currency forward contracts	(391,374)	(1,261,249)
Realized (gain) loss on sales of investments	(1,387,280)	(2,528,984)
(Increase) decrease in interest receivable	74,238	26,908
(Increase) decrease in other receivable	13,492	(28,630)
Increase (decrease) in other accounts payable and accrued expenses	(42,911)	(42,247)
Increase (decrease) in management fees payable	2,568	(5,331)
Increase (decrease) in service fees payable	1,147	27,498
Purchase of investments	(16,020,881)	(17,032,192)
Proceeds from sale of investments	26,802,963	22,760,488
<b>Net cash flow provided by (used in) operating activities</b>	<b>10,418,999</b>	<b>1,627,796</b>
<b>Financing Activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions (note 9)	(1,108,109)	(1,583,278)
Payments on redemption/cancellation of redeemable units	(14,942)	(238,779)
Withdrawals from leverage (note 12)	(8,981,435)	(32,278,229)
Repayment of leverage (note 12)	5,361,923	32,568,822
<b>Net cash flow provided by (used in) financing activities</b>	<b>(4,742,563)</b>	<b>(1,531,464)</b>
<b>Net increase (decrease) in cash and short-term investments</b>	<b>5,676,436</b>	<b>96,332</b>
<b>Net unrealized foreign exchange (appreciation) depreciation on cash</b>	<b>(9,910)</b>	<b>(190,900)</b>
<b>Cash - beginning of year</b>	<b>(94,524)</b>	<b>268,979</b>
<b>Cash - end of year</b>	<b>5,572,002</b>	<b>174,411</b>
<b>Supplemental information (included in operating activities)</b>		
Dividend received, net of withholding tax	\$ (60,257)	\$ -
Interest received	\$ 889,806	\$ 1,976,159
Interest Paid	\$ 21,575	\$ 107,996

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

## SCHEDULE OF INVESTMENT PORTFOLIO

As at January 31, 2017

Par Value	Investments	Tranche Description	Maturity date	Average Cost (CAD)	Fair Value (CAD)	% of NAV
USD 2,098,717	USD Time Deposit Overnight Sweep 0.01%			2,747,339	2,736,202	9.7%
				2,747,339	2,736,202	9.7%
	<b>Term loans in USD <sup>(1)</sup></b>					
USD 500,000	Rackspace Hosting, Inc.	Term Loan B	Nov/03/2023	671,983	659,666	2.3%
USD 500,000	Huntsman International, LLC	2016 Term Loan B	Apr/01/2023	670,332	658,665	2.3%
USD 500,000	XPO Logistics, Inc.	Term Loan B	Nov/01/2021	671,158	657,985	2.2%
USD 487,500	Encompass Digital Media, Inc.	1st Lien Term Loan	Jun/06/2021	529,130	608,565	2.2%
USD 400,000	Avolon Holdings Ltd.	Term Loan B-2	Jan/13/2022	532,767	528,778	1.9%
USD 399,000	Western Digital Corporation	USD Term Loan B-1	Apr/29/2023	529,191	527,023	1.9%
USD 400,000	Albertsons, LLC	Term Loan-B4	Aug/22/2021	539,696	524,890	1.9%
USD 500,000	SourceHOV, LLC	2nd Lien Term Loan	Apr/30/2020	543,384	430,917	1.5%
USD 295,139	CBAC Borrower, LLC	Funded Term Loan B	Jul/02/2020	331,089	387,674	1.4%
USD 297,722	Spin Holdco, Inc.	Mar 2015 Upsized Term Loan	Nov/14/2019	377,168	387,281	1.4%
USD 297,692	Gardner Denver, Inc.	Term Loan B USD	Jul/30/2020	357,709	384,357	1.4%
USD 292,125	Asurion, LLC	Incremental Tranche B-4 Term Loan	Aug/04/2022	382,718	384,048	1.4%
USD 285,283	Hawaiian Telcom Communications, Inc.	Term Loan B	Jun/06/2019	298,603	375,269	1.3%
USD 285,868	Amaya Gaming Group, Inc.	Incremental 1st Lien Term Loan	Aug/01/2021	309,825	375,263	1.3%
USD 248,750	Blount International, Inc.	Term Loan B USD	Apr/12/2023	317,197	328,362	1.2%
USD 248,125	KAR Auction Services, Inc.	Term Loan B-3	Mar/09/2023	327,455	327,939	1.2%
USD 248,128	Windstream Corporation	Upsized Term Loan B-6	Mar/29/2021	327,427	327,622	1.2%
USD 248,750	Sedgwick Holdings, Inc.	Incremental 1st Lien Term Loan	Mar/01/2021	323,275	327,348	1.2%
USD 248,125	Select Medical Corporation	Series F Tranche B	Mar/03/2021	324,148	326,930	1.2%
USD 247,500	LPL Holdings, Inc.	2022 Tranche B Term Loan	Nov/20/2022	327,488	326,712	1.2%
USD 248,750	SolarWinds Holdings, Inc.	Term Loan	Feb/05/2023	320,281	325,651	1.2%
USD 247,500	Acadia Healthcare Company, Inc.	Term Loan B-2	Feb/16/2023	340,310	325,502	1.2%
USD 248,042	BJ's Wholesale Club, Inc.	1st Lien Term Loan	Sep/26/2019	316,621	325,406	1.2%
USD 246,875	TI Group Automotive Systems, LLC	Upsized USD Term loan B	Jun/30/2022	312,602	324,277	1.1%
USD 246,250	Zep, Inc.	Term Loan	Jun/26/2022	331,534	324,259	1.1%
USD 246,875	Onex TSG Intermediate Corp.	Upsized 1L Term Loan	Jul/31/2022	327,596	323,875	1.1%
USD 245,634	Auris Luxembourg II S.A.	Term Loan B USD	Jan/15/2022	319,193	323,248	1.1%
USD 248,111	Air Medical Group Holdings, Inc.	Term Loan B	Apr/28/2022	312,327	322,969	1.1%
USD 243,742	Equinox Holdings, Inc.	2016 New Upsized 1st Lien Term Loan	Jan/31/2020	261,367	320,494	1.1%
USD 243,750	Hillman Group (The), Inc.	Term Loan B	Jun/30/2021	261,145	320,437	1.1%
USD 246,054	BMC Software, Inc.	U.S. Term Loan	Sep/10/2020	299,058	320,417	1.1%
USD 246,880	Gruden Acquisition, Inc.	1st Lien Term Loan	Aug/18/2022	301,195	317,846	1.1%
USD 243,125	Atrium Innovations, Inc.	USD 1st Lien Term Loan	Feb/13/2021	269,548	315,984	1.1%
USD 245,625	Research Now, Inc.	1st Lien Term Loan	Mar/18/2021	311,459	315,430	1.1%
USD 239,859	CareCore National, LLC	Upsized Term Loan B	Mar/05/2021	255,974	312,716	1.1%
USD 237,545	Electrical Components International, Inc.	Upsized Term Loan B 2016	May/30/2021	265,958	311,828	1.1%
USD 219,476	Riverbed Technology, Inc.	1st Lien Term Loan	Apr/24/2022	287,305	288,936	1.0%
USD 268,813	Onsite Rental Group Operations Pty Ltd.	Senior Secured Term Loan	Jul/30/2021	288,397	275,991	1.0%
USD 199,500	Forterra Finance, LLC	1st Lien Term Loan	Oct/25/2023	266,086	263,268	0.9%
USD 199,638	Valeant Pharmaceuticals International, Inc.	Series E-1 Tranche B	Aug/05/2020	263,416	261,092	0.9%
USD 198,998	Kinetic Concepts, Inc.	Dollar Term F	Nov/04/2020	257,433	260,200	0.9%
USD 197,990	Calpine Corporation	Term Loan B-5	Jan/15/2024	254,444	259,581	0.9%
USD 197,749	OSG Bulk Ships, Inc.	1st Lien Term Loan	Aug/05/2019	214,673	253,304	0.9%
USD 191,190	INEOS Styrolution Group GmbH	New USD facility	Sep/14/2021	252,527	252,847	0.9%
USD 200,000	Silver II US Holdings, LLC	Term Loan	Dec/13/2019	239,864	247,615	0.9%

## SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at January 31, 2017

Par Value	Investments	Tranche Description	Maturity date	Average Cost (CAD)	Fair Value (CAD)	% of NAV
	Term loans in USD.... Continued					
USD 198,961	Evergreen AcqCo	Term Loan B	Jul/09/2019	245,279	241,076	0.9%
USD 195,443	Syniverse Holdings, Inc.	Initial Term Loan	Apr/23/2019	184,987	230,283	0.8%
USD 160,000	Sinclair Broadcast Group, Inc.	Term Loan B-2	Jan/03/2024	212,568	209,538	0.7%
USD 174,457	Jason Incorporated	1st Lien Term Loan	Jun/30/2021	188,162	205,272	0.7%
USD 150,000	Dayton Power and Light Company	Term Loan	Aug/24/2022	191,667	198,618	0.7%
USD 150,000	Henry Company LLC	Term Loan B	Oct/05/2023	196,450	198,129	0.7%
USD 150,000	Kronos Incorporated	1st Lien Term Loan	Nov/01/2023	200,032	197,818	0.7%
USD 150,000	BioClinica, Inc.	1st Lien Term Loan	Oct/20/2023	197,794	197,763	0.7%
USD 149,625	Omnova Solutions, Inc.	Term Loan B	Aug/28/2023	190,590	197,756	0.7%
USD 149,235	M/A-COM Technology Solutions Holdings, Inc..	Upsized Term Loan B	May/07/2021	191,349	197,726	0.7%
USD 150,000	Landry's, Inc.	Term Loan	Oct/04/2023	197,517	197,693	0.7%
USD 149,625	ADT Security Services, Inc.	Term Loan B	May/02/2022	205,640	197,558	0.7%
USD 150,000	Lions Gate Entertainment Corp.	New Term Loan B	Dec/08/2023	197,212	197,274	0.7%
USD 150,000	inVentiv Health, Inc.	Term loan B	Nov/09/2023	197,517	197,256	0.7%
USD 149,625	Thomson Reuters Intellectual Property & Science	1st Lien Term Loan	Oct/03/2023	196,041	197,000	0.7%
USD 150,000	RedPrairie Corporation	Term Loan B	Oct/12/2023	197,517	196,767	0.7%
USD 149,625	Wideopenwest Finance, LLC	2016 Term Loan B	Aug/18/2023	191,552	196,756	0.7%
USD 149,250	Alliant Holdings I, LLC	Incremental Term Loan (non-fungible)	Aug/12/2022	192,528	196,531	0.7%
USD 149,250	ATI Holdings, Inc.	1st Lien Term Loan	May/10/2023	189,942	196,490	0.7%
USD 148,125	Avast Software B.V.	Term Loan USD	Sep/30/2022	192,344	196,196	0.7%
USD 149,625	Blackboard, Inc.	Term Loan B-4	Jun/30/2021	196,034	196,049	0.7%
USD 149,227	Tronox Pigments (Netherlands) B.V.	Term Loan	Mar/19/2020	192,952	195,195	0.7%
USD 150,000	Smart & Final Stores, Inc.	Extended Term Loan-B	Nov/15/2022	196,906	195,074	0.7%
USD 146,728	Aricent Group, Inc.	Aug 2015 Upsized 1st Lien Term Loan	Apr/14/2021	191,527	189,902	0.7%
USD 148,875	Veritas Bermuda Ltd.	USD Term Loan B-1	Jan/27/2023	170,227	184,553	0.7%
USD 139,300	US Foods, Inc.	Term Loan B	Jun/27/2023	179,335	183,230	0.6%
USD 137,345	Nexstar Broadcasting, Inc.	New Term Loan B - Nexstar	Jan/17/2024	181,309	181,079	0.6%
USD 139,394	Skillssoft Corp.	1st Lien Term Loan	Apr/28/2021	152,822	165,743	0.6%
USD 119,162	Avantor Performance Materials, LLC	Incremental 1L Term Loan	Jun/21/2022	156,401	157,980	0.6%
USD 134,138	Academy Ltd.	Term Loan	Jul/01/2022	170,358	155,121	0.5%
USD 100,000	Acrisure, LLC	Term Loan	Oct/28/2023	132,927	132,412	0.5%
USD 100,000	Cortes NP Acquisition Corporation	Term Loan B	Nov/30/2023	127,676	132,187	0.5%
USD 99,500	Precyse Acquisition Corporation	Upsized Term Loan B	Oct/20/2022	124,558	131,426	0.5%
USD 99,221	Microsemi Corporation	Term Loan B	Jan/15/2023	133,389	130,433	0.5%
USD 100,000	Community Health Systems, Inc.	Term A	Jan/22/2019	130,917	129,348	0.5%
USD 99,237	Seventy Seven Energy, Inc.	Term Loan	Jun/25/2020	94,455	129,299	0.5%
USD 100,000	Jo-Ann Stores, Inc.	Term Loan-B	Sep/27/2023	129,875	128,908	0.5%
USD 94,390	Global Payments, Inc.	Term Loan B	Apr/22/2023	127,475	124,599	0.4%
USD 94,221	MEG Energy Corporation	Term Loan	Mar/31/2020	106,190	123,666	0.4%
USD 75,061	SourceHOV, LLC	1st Lien Term Loan	Oct/31/2019	82,424	89,252	0.3%
USD 59,381	Fairmount Santrol, Inc.	Tranche B-2 Term Loans	Sep/05/2019	63,201	75,870	0.3%
USD 43,678	Supervalu, Inc.	Term Loan	Mar/21/2019	56,262	57,380	0.2%
USD 12,655	Nexstar Broadcasting, Inc./Mission Broadcasting, Inc.	New Term Loan B - Mission	Jan/17/2024	16,705	16,684	0.1%
	<b>Total Term Loans</b>			<b>22,892,669</b>	<b>23,597,357</b>	<b>83.7%</b>



## SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at January 31, 2017

Par Value	Investments	Tranche Description	Maturity date	Average Cost (CAD)	Fair Value (CAD)	% of NAV
<b>Common Stock</b>						
USD 13,437	Cengage Learning Holdings			449,435	236,499	0.7%
USD 8,695	EveryWare Global, Inc.			82,758	85,021	0.3%
USD 18,462	Longview Power, LLC			255,962	61,691	0.2%
USD 18	Southcross Holdings LP			20,826	8,331	0.0%
USD 1,293	Millennium Health, LLC			12,653	1,792	0.0%
USD 37	Longview Power, LLC			-	124	0.0%
USD 18	Southcross Holdings GP, LLC			-	-	0.0%
<b>Total Common Stock</b>				821,634	393,458	1.2%
<b>Total investments</b>				23,714,303	26,727,017	94.6%
<b>Foreign currency forward contracts</b>						
			<b>Maturity date</b>	<b>Contract price / rate</b>	<b>Unrealized gain (loss) (CAD)</b>	<b>% of NAV</b>
Bought CAD 1,596,367, Sold USD 1,205,000			Feb/23/2017	1.32479	25,670	0.1%
Bought CAD 24,058,114, Sold USD 18,160,000			Feb/23/2017	1.32479	386,866	1.4%
Bought USD 1,205,000, Sold CAD 1,596,367 <sup>(2)</sup>			Feb/23/2017	0.75484	(25,670)	-0.1%
<b>Total foreign currency forward contracts</b>					386,866	1.4%
Cash					2,835,800	10.0%
Net other assets (liabilities)					(1,707,276)	-6.0%
<b>Net assets of the Fund</b>					<b>\$ 28,242,407</b>	<b>100.0%</b>

<sup>(1)</sup> The investments held in the portfolio are all floating rate notes. <sup>(2)</sup> This unrealized forward currency contract gain and losses are attributed to and allocated solely to the Class U Units.

The accompanying notes are an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS (JANUARY 31, 2017)

### 1 GENERAL INFORMATION

Voya High Income Floating Rate Fund (the “Fund”) is an investment fund established under the laws of the Province of Ontario and governed by the Trust Agreement (the “Trust Agreement”) between LOGiQ Asset Management Ltd. (formerly, Aston Hill Capital Markets Inc.) (the “Manager”) the Manager of the Fund and Computershare Trust Company of Canada (the “Trustee”) dated September 26, 2013. The Fund commenced operations on October 22, 2013. The Fund’s principal office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8. The fiscal year end of the Fund is July 31. On August 13, 2015 the Fund changed its name from “ING High Income Floating Rate Fund” to “Voya High Income Floating Rate Fund”.

The Fund is divided into Units of two classes, Class A Units and Class U Units. The Class A Units are listed on the Toronto Stock Exchange (the “TSX”) under the symbol IHL.UN. The Class U Units are designed for investors wishing to make their investment in U.S. Dollars. The Class U Units are not listed on a stock exchange but may be converted into Class A Units on a weekly basis. As of January 31, 2017, the closing market TSX price is \$8.14.

On November 30, 2016, Aston Hill Capital Markets Inc. was amalgamated into Aston Hill Asset Management Inc. On December 8, 2016, Aston Hill Asset Management Inc., as part of Aston Hill Financial Inc. (“Aston Hill”) and together with Front Street Capital 2004 (“Front Street”) and Tuscarora Capital Inc. (“TCI”), an entity under common control with Front Street, completed a previously announced transaction whereby Aston Hill would acquire all of the equity interests in the Front Street and TCI, and the companies would combine their respective operations. As part of the transaction, Aston Hill also changed its name to LOGiQ Asset Management Inc. and consequently Aston Hill Asset Management Inc. changed its name to LOGiQ Asset Management Ltd.

The Fund’s investment objectives are to:

- (i) provide monthly cash distributions;
- (ii) preserve capital; and
- (iii) generate increased returns in the event that short-term interest rates rise above applicable LIBOR floors, in each case, through exposure to a diversified portfolio (the “Portfolio”) consisting primarily of senior secured floating rate corporate loans and second lien secured floating rate loans of non-investment grade North American borrowers, and actively managed by Voya Investment Management Co. LLC (the “Portfolio Manager”).

In order to achieve the Fund’s investment objectives, the Portfolio Manager invests in a broadly diversified portfolio (the “Portfolio”) composed primarily of first lien, senior secured floating rate loans and second lien secured floating rate loans. The Portfolio Manager generally seeks to make investments in Loans of non-investment grade North American borrowers that have (i) significant levels of assets and/or cash flow coverage; (ii) a protective capital structure; (iii) strong senior management; and (iv) attractive market positioning. The Portfolio consists primarily of Loans that are expected to generate increased Portfolio cash flow in the event that short-term interest rates rise above applicable LIBOR floors (which set a minimum LIBOR rate for such loans). Up to 20% of Total Assets of the Fund may be invested in corporate bonds, unsecured loans and notes with fixed and floating interest rates and structured credit notes.

These financial statements were authorized for issue by the Manager on March 28, 2017.

### 2 BASIS OF PREPARATION AND ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Fund’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### a) Financial instruments

The Funds’ long position investments in term loan and equity securities are designated at fair value through profit or loss (“FVTPL”) at inception. The Funds’ derivatives are categorized as held-for-trading. As a result of such designation and categorization, the Funds’ investments and derivatives are measured at FVTPL. The Funds’ obligation for Net Assets attributable to holders of redeemable units is presented at approximately the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument’s effective

interest rate. The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring their published Net Asset Value. The fair values of the Funds' financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

**b) Fair Value Measurement**

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 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 at the beginning of the period in which circumstances giving rise of the transfer occur.

The fair value of financial assets and liabilities that are not traded in an active market including foreign currency forward contracts and the prepaid forward agreement are determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each measurement date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and others commonly used by market participants and which make the maximum use of observable inputs.

Refer to note 17 for further information about the Fund's fair value measurements.

The Fund's net asset value per unit did not differ from its net assets attributable to holders of redeemable units per unit as at January 31, 2017 and July 31, 2016.

**c) Cash and cash equivalents**

Cash consists of cash in hand, deposits held with bank.

**d) Investment Transactions and Income Recognition**

Regular purchases and sales are recognized on the trade date - the date on which the Fund commits to purchase or sell the investment and any realized and unrealized gains or losses are recognized using the average cost of the investments, which excludes broker commissions. The interest income for distribution purposes shown on the Statements of Comprehensive Income (Loss) represents the coupon interest earned by the Fund accounted for on an accrual basis. Dividend income is recognized on the ex-dividend date.

**e) Increase (decrease) in Net Assets attributable to holders of redeemable units per unit**

The increase (decrease) in Net Assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income is calculated by dividing the increase (decrease) in Net Assets attributable to holders of redeemable units per series by the weighted average number of redeemable units outstanding for each relevant series during the period.

**f) Valuation of a class and class allocations**

A separate net asset per unit is calculated for each class. The net assets of a class are computed by calculating the class' proportionate share of the assets and liabilities attributable to all classes, less the liabilities attributable only to that class. Realized and unrealized gains and losses on forward contracts and expenses directly attributable to a class are allocated to that class. Other expenses, income, realized and unrealized gains and losses on investments are allocated proportionately to each class based upon the relative Net Assets of each class.

**g) Income Taxes**

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). Provided the Fund makes distributions in each year of its net income and net realized capital gains, the Fund will not generally be liable for income tax. It is the intention of the Fund to distribute all of its net income and net realized and unrealized capital gains on an annual basis. Accordingly, no income tax provision has been recorded. The Fund may incur 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.

**h) Foreign Exchange**

The fair values of investments and other assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at the noon rate of exchange on each valuation date. Purchases and sales of investments and income derived from investments are translated at the rate of exchange prevailing on the date of such transactions.

**i) Foreign Currency Translation**

The majority of the Fund's subscriptions and redemptions are denominated in Canadian dollars, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the prevailing exchange rate at the measurement date. Foreign exchange gains and losses relating to cash and those relating to other financial assets and liabilities are presented as "Net foreign exchange gain (loss) on currency" in the Statements of Comprehensive Income.

**j) Foreign Currency Forward Contracts**

The Fund may enter into foreign currency forward contracts to hedge against exposure to foreign currency fluctuations. The Portfolio will be invested primarily in assets denominated in U.S. dollars. The Fund intends to hedge substantially all of the value of the Portfolio that is denominated in U.S. dollars or any other currencies other than the Canadian dollar to the Canadian dollar. In respect of the Class U Units, the Fund intends to reverse the hedge that is equal to the proportion of the NAV of the Fund attributable to the Class U Units back to the U.S. dollar. The Fund intends to use derivative instruments for currency hedging purposes. The carrying value of the foreign currency forward contracts is the gain or loss that would be realized if the position were closed out on the valuation date and is recorded as an unrealized gain or loss. Upon closing of a contract, the gain or loss is recorded in the Statements of Comprehensive Income as "Net realized gain (loss) on foreign currency forward contracts".

**k) Classification of Redeemable Units Issued by the Fund**

Under IFRS, IAS 32 requires that shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial liability. A Fund with multiple classes fails to meet the criteria outlined in IAS 32.16(a) and (c). Specifically, the unitholders are not entitled to a pro rata share of the entity's net assets attributable to holders of redeemable units upon liquidation due to the differing classes, nor do each class have identical features. Accordingly, all of the criteria in IAS 32.16 are not met. As such, in accordance with the standard net assets attributable to holders of redeemable units are presented as liability on the Statements of Financial Position.

**l) Accounting Standards Issued But Not Yet Adopted**

The final version of International Financial Reporting Standard (IFRS) 9, Financial Instruments, was issued by IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking expected loss impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Fund is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

**4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

**Functional and Presentation Currency**

The Fund's investors are primarily Canadian residents, with capital activities of the redeemable shares denominated in Canadian dollars. The primary activity of the Fund is to invest in US term loan and derivatives. The performance of the Fund is measured and reported to the investors in Canadian dollars and the expenses are primarily in Canadian dollars. The Manager considers the Canadian dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Canadian dollars, which is the Fund's functional and presentation currency.

### **Fair Value Measurement of Derivatives and Securities Not Quoted in an Active Market**

When the Fund holds financial instruments that are not quoted in active markets, fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

### **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 judgments about the classification of financial instruments and the applicability of the fair value option to its investments which are not held for trading. The Manager has determined that the Fund's derivatives are held for trading due to their short term nature. The fair value option has been applied to the Fund's investments in term loan and equity securities as the investments are managed on a fair value basis in accordance with the Fund's investment strategy.

## **5 REDEEMABLE UNITS OF THE FUND**

The beneficial interest in the net assets and net income of the Fund is divided into two classes of Units, Class A Units and Class U Units. The Class U Units are designed for investors wishing to make their investments in U.S. Dollars. The Class U Units may be converted into Class A Units on a weekly basis. Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to Unitholders of each class being entitled to distributions or redemptions based on the Net Asset Value of the Units of a particular class.

On October 22, 2013, the Fund completed its initial public offering pursuant to the Prospectus dated September 26, 2013. \$76,000,000 was raised through the issue of 7,600,000 Class A Units and U.S. \$4,003,300 was raised through the issue of 400,330 Class U Units. The Class A Units were issued at \$10.00 per Unit and incurred Agents' fees and issue expenses of \$4,701,457 or \$0.62 per Unit, for an opening Transactional NAV of \$9.38. The Class U Units were issued at U.S. \$10.00 per Unit and incurred Agents' fees and issue expenses of U.S. \$247,649 or U.S. \$0.62 per Unit, for an opening Transactional NAV of U.S. \$9.38 per Unit.

On November 14, 2013, the Agents exercised an over-allotment option in respect of 69,418 Class A Units, raising a further \$694,180. Agents' fees were \$36,444 or \$0.525 per Unit.

Commencing on June 11, 2015, the Class A Units and Class U Units may be redeemed on an Annual Redemption Date ("Annual Redemption Date"), subject to certain conditions. In order to effect such a redemption, the Units must be surrendered during the period from the first Business Day (any day except Saturday, Sunday, a statutory holiday in Toronto or any other day on which the TSX is not open for trading) in April until 5:00 p.m. (Toronto time) on April 15 in the year of redemption (the "Notice Period"), subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the Annual Redemption Date and the Unitholder surrendering such Units will receive payment on or before the Redemption Payment Date, which is the 10th Business Day of the month immediately following an Annual Redemption Date. Redeeming Unitholders will be entitled to receive a redemption price in an amount equal to 100% of the Annual Redemption Price, which is the redemption price per Unit of the relevant class on an Annual Redemption Date less any costs associated with the redemption, including brokerage costs and less any net realized capital gains or income to the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption. Unitholders depositing Units during the Notice Period will be entitled to elect to receive the Monthly Redemption Amount rather than the Annual Redemption Amount (as defined below).

In addition to the annual redemption right, the Class A Units and Class U Units may also be redeemed on a Monthly Redemption Date, subject to certain conditions. In order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the first Business Day of the month preceding the month in which the Monthly Redemption Date falls, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption within such period will be redeemed on the Monthly Redemption Date and the Unitholder surrendering such Units will receive payment on or before the Redemption Payment Date, which is the 10th Business Day of the month immediately following a Monthly Redemption Date. Concurrently with the payment of the redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains or income of the Fund incurred by it to fund the payment of the redemption price. Unitholders surrendering a Class A Unit for redemption will receive a redemption price equal to the lesser of (i) 95% of the Market Price which is the weighted average trading price on the TSX for the 10 trading days immediately preceding such Monthly Redemption Date of a Class A Unit, and (ii) 100% of the Closing Market Price which is the closing price of such security on the TSX on such Monthly Redemption Date of a Class A Unit on the applicable Monthly Redemption Date less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption. Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent of the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated Redemption Net Assets per Unit of a Class U Unit and the denominator of which is the most recently calculated Redemption Net Assets per Unit of a Class A Unit.

During the six-month period ended January 31, 2017, the Fund redeemed 1,500 units of Class U for net payment of \$14,942. (During the six-month period ended January 31, 2016, the Fund redeemed 23,000 units of Class U for net payment of \$238,779. There were 23,260 units of Class U converted to 30,412 units of Class A for a total value of \$264,625).

Changes in outstanding Units during the six-month periods ended January 31, 2017 and 2016 are summarized as follows:

	Class A Units January 31, 2017	Class A Units January 31, 2016	Class U Units January 31, 2017	Class U Units January 31, 2016
Balance – beginning of period	3,218,676	4,558,494	145,450	237,610
Class U Units converted to Class A Units	–	30,412	–	(23,260)
Units repurchased	–	–	–	–
Units redeemed	–	–	(1,500)	(23,000)
Balance – end of period	3,218,676	4,588,906	143,950	191,350

## 6 MARKET PURCHASE PROGRAM

The Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market) Class A Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager's assessment that such purchases are accretive to Unitholders, in all cases at a price per Unit not exceeding the most recently calculated Net Asset Value per Unit of the Class A Units immediately prior to the date of any such purchase of Class A Units.

The Fund did not purchase Class A Units for cancellation during the six-month period ended January 31, 2017 (nil during the six-month period ended January 31, 2016).

## 7 FUND ADMINISTRATION

State Street Trust Company Canada is responsible for certain aspects of the Fund's day-to-day operations, including calculating Net assets attributable to holders of redeemable units, net income and net realized capital gains of the Fund and maintaining the books and records of the Fund.

## 8 CUSTODIAN

State Street Trust Company Canada acts as custodian (the "Custodian") of the assets of the Fund. The Custodian carries out the safe guarding of the Fund's assets. In consideration for these services, the Fund pays a fee to the Custodian. The Custodian is rated AA by S&P as at January 31, 2017 (July 31, 2016 – AA-).

## 9 DISTRIBUTIONS

The Fund does not have a fixed distribution policy but intends to make monthly distributions based on the actual and expected returns on the Portfolio to Unitholders of record on the last business day of each month. The Fund paid an initial distribution of \$0.07042 per Class A Unit and U.S. \$0.07042 per Class U Unit covering the period from October 22, 2013 (commencement of operations) to November 30, 2013. The Fund made regular monthly distributions of \$0.05417 per Class A Unit and U.S. \$0.05417 per Class U Unit thereafter. These distributions represent an annualized current yield of 6.50% based on the initial offering price of \$10.00 per Unit.

In total, the Fund paid distributions of \$0.32502 per Class A Unit and U.S. \$0.32502 per Class U Unit during the six-month period ended January 31, 2017 (\$0.32502 per Class A Unit and U.S. \$0.32502 per Class U Unit during the six-month period ended January 31, 2016).

## 10 RELATED PARTY TRANSACTIONS

### Management Fees

The Manager receives a management fee from the Fund equal in the aggregate to 1.25% per annum of the applicable Net Asset Value plus applicable taxes, calculated and payable monthly in arrears.

The management fees charged to the Fund during the six-month period ended January 31, 2017 were \$181,220 plus applicable taxes (during the six-month period ended January 31, 2016 were \$263,921 plus applicable taxes).

The Manager is responsible for payment of the Sub-Advisor fees out of these management fees.

## Service Fees

The Fund pays a service fee to each registered dealer whose clients hold Class A Units or Class U Units of the Fund at the end of each calendar quarter. The service fee is equal to 0.40% annually of the Net Asset Value plus applicable taxes for each Class A Unit or Class U Unit held by the clients of registered dealers, calculated and paid at the end of each calendar quarter.

The service fees charged to the Fund during the six-month period ended January 31, 2017 were \$57,990 (during the six-month period ended January 31, 2016 were \$105,358).

## Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter. During the six-month period ended January 31, 2017, administration fees amounted to \$9,406 (\$12,468 during the six-month period ended January 31, 2016).

## 11 INDEPENDENT REVIEW COMMITTEE (“IRC”) FEE

The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

The IRC members each receive \$15,000 per annum (\$20,000 for the Chairman) plus \$1,250 per meeting for acting in such capacity and are also reimbursed for expenses in connection with performing their duties. These fees and expense reimbursements are allocated across investment funds that are managed by the Manager in a manner that is fair and reasonable.

The IRC fees charged to the Fund during the six-month period ended January 31, 2017 were \$1,106 (during the six-month period ended January 31, 2016 were \$997).

## 12 LEVERAGE

The Fund may employ leverage of up to 35% of total assets for the purpose of acquiring assets for the Portfolio and such other short-term funding purposes as may be determined by the Sub-Advisor, in consultation with the Manager, from time to time and in accordance with the Investment Strategy. Accordingly, the maximum amount of leverage that the Fund could employ is 1.54:1.

The Fund entered into a Credit Agreement dated November 20, 2013 between the Fund Manager (on behalf of the Fund) and the State Street Bank and Trust Company (the “Counterparty”). Borrowings by the Fund are made in U.S. dollars. The termination date of the Agreement is November 18, 2015 which may be extended and the interest rate is variable. During the six-month period ended January 31, 2017, the Fund applied leverage in the range from 0.0% to 16.0% or from U.S. \$0 to U.S. \$4,200,000 (the Canadian equivalent was \$0 to \$5,526,752) (During the six-month period ended January 31, 2016, the Fund applied leverage in the range from 23.3% to 33.9% or from U.S. \$10,200,000 to U.S. \$14,100,000 (the Canadian equivalent was \$13,345,178 to \$20,637,479)). The leverage factor as of January 31, 2017 was 0.0% and the borrowed balance was U.S. \$0 (the Canadian equivalent was \$0) (The leverage factor as of January 31, 2016 was 28.0% and the borrowed balance was U.S. \$11,000,000 (the Canadian equivalent was \$15,479,745)). Since November 01, 2016, the Fund has not applied any leverage.

## 13 INCOME TAXES

As at tax year ended December 31, 2016, the Fund had net capital losses of \$2,709,334 (December 31, 2015 – net capital losses of \$5,037,536), which may be carried forward indefinitely to reduce future realized capital gains. The Fund did not have any non-capital carry forward balances as at the tax years’ end December 31, 2016 and 2015.

## 14 BROKER COMMISSION CHARGES AND SOFT DOLLAR SERVICES

There were \$nil broker commissions paid during the six-month periods ended January 31, 2017 and 2016 in connection with portfolio transactions. No contractual arrangements for soft dollar services exist in the broker commission charges.

## 15 CAPITAL MANAGEMENT

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The Fund’s objectives when managing capital is to safeguard the Fund’s ability to continue as a going concern, to provide financial capacity and flexibility to meet its strategic objectives, and to provide an adequate return to unitholders commensurate with the level of risk while maximizing the distributions to unitholders. There are currently no externally imposed capital requirements for the Fund and the Manager believes that the current level of distributions, capital and capital structure is sufficient to sustain ongoing operations. The Manager actively monitors the cash position and financial performance of the Fund to ensure there are sufficient resources to meet distributions and redemptions.

## 16 FINANCIAL INSTRUMENT RISK

The Fund is exposed to a variety of financial instruments risks: credit risk, liquidity risk, portfolio concentration risk and market risk (including interest rate risk, currency risk and price risk). The level of risk to which each Fund is exposed depends on the investment objectives and the type of investments the Fund holds. The value of investments within a portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company-specific news related to investments held by the Fund. The Manager of the Fund may attempt to minimize the potential adverse effects of these risks on the Fund's performance by, but not limited to, regular monitoring of the Fund's positions and market events and diversification of the investments portfolio by asset type, country, sector, and term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

The Manager of the Funds monitors the below risks on a regular basis.

**a) Price risk**

Price risk is the risk that the fair value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk). The value of each investment is influenced by the outlook of the issuer and by general economic and political conditions, as well as industry and market trends. The Fund's equity instruments are susceptible to price risk arising from uncertainties about future prices of the instruments. All securities excluding short-term debt present a risk of loss of capital.

Other assets and liabilities are monetary items that are short-term in nature and therefore are not subject to significant price risk.

As of January 31, 2017, if equity prices had increased or decreased by 10% with all other variables held constant, the net assets attributable to holders of redeemable units of the Fund would have increased or decreased by approximately \$39,346 (July 31, 2016 - \$63,198). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**b) Interest rate risk**

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as term loans and short-term notes. Since the Senior Loans held in the Fund are floating rate instruments with a short duration, changes in the prevailing levels of market interest rates are not expected to have a significant impact on the net assets of the Fund but since the loans have a base rate of LIBOR plus a spread, the yield to the fund will change as LIBOR fluctuates after taken into account any LIBOR floors. As at January 31, 2017 and July 31, 2016, interest rate risk from the Senior Loans and short-term investments was minimal.

**c) Currency risk**

Currency risk arises from financial instruments that are denominated in a currency other than the functional currency of the Fund, which is the Canadian dollar ("CAD"). Both the Class A Units and the Class U Units are exposed to the risk that the value of securities denominated in currency other than Canadian dollars and U.S. dollars will fluctuate due to changes in exchange rates. The Schedule of Investment Portfolio identifies all securities denominated in foreign currencies.

The table below summarizes the Fund's exposure to foreign currencies as at January 31, 2017 and July 31, 2016. The table shows sensitivity evaluation due to exposure to the U.S. dollar for the Fund. The amounts shown are based on the carrying values of monetary and non-monetary assets as well as the underlying principal amounts of foreign currency derivatives such as forward contracts. Other financial assets and liabilities denominated in foreign currencies do not expose the Fund to significant currency risk. The table below summarizes the significant exposure to foreign currencies and the approximate impact on net assets had the functional currency of each class of units weakened by 5% in relation to these currencies. If the functional currency were to strengthen relative to these currencies, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

January 31, 2017:

	Non-Monetary Exposure	Monetary Exposure*	Total	Non-Monetary Exposure	Monetary Exposure*	Total
U.S. Dollar	\$ 393,458	\$ 1,216,228	\$ 1,609,686	\$ 19,673	\$ 60,811	\$ 80,484
<b>Total</b>	<b>\$ 393,458</b>	<b>\$ 1,216,228</b>	<b>\$ 1,609,686</b>	<b>\$ 19,673</b>	<b>\$ 60,811</b>	<b>\$ 80,484</b>
<b>% of net assets attributable to holder of redeemable units</b>	<b>1.4%</b>	<b>4.3%</b>	<b>5.7%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.3%</b>



July 31, 2016:

	Non-Monetary Exposure	Monetary Exposure*	Leverage	Total	Non-Monetary Exposure	Monetary Exposure*	Leverage	Total
U.S. Dollar	\$ 631,978	\$ 4,714,526	\$(3,651,340)	\$ 1,695,164	\$ 31,599	\$ 235,727	(182,567)	\$ 84,759
<b>Total</b>	<b>\$ 631,978</b>	<b>\$ 4,714,526</b>	<b>\$(3,651,340)</b>	<b>\$ 1,695,164</b>	<b>\$ 31,599</b>	<b>\$ 235,727</b>	<b>(182,567)</b>	<b>\$ 84,759</b>
<b>% of net assets attributable to holder of redeemable units</b>	<b>2.2%</b>	<b>16.3%</b>	<b>(12.6%)</b>	<b>5.9%</b>	<b>0.1%</b>	<b>0.8%</b>	<b>(0.6%)</b>	<b>0.3%</b>

\*Under monetary instruments, the cash and foreign currency forward contracts are netted together.

### Credit risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument will fail to meet its financial obligations. The fair value of a debt instrument includes consideration for the credit worthiness of the debt issuer. The credit risk exposure of the Funds' other assets is represented by their carrying amount as disclosed in the Statements of Financial Position. The carrying amount of debt investments and unrealized gain (loss) on derivative instruments outstanding with counterparties represents the maximum exposure to credit risk. Credit ratings for debt securities, preferred securities and derivative instruments are obtained from Standard & Poor's, where available; otherwise, ratings are obtained from Moody's Investors Service, Dominion Bond Rating Services or Canadian Bond Rating Services. Other assets will be settled in the short term.

The Manager evaluates the credit quality of the securities prior to purchase and performs ongoing monitoring of the credit quality of the securities. As of the purchase date, the Fund will not invest more than 10% of its total assets in the securities of any one issuer in accordance with investment restrictions.

All transactions in securities are settled or paid for upon delivery using approved brokers. The risk of default by a counter party is considered minimal, as delivery of securities sold is only made once the Fund has received payment. Payment is made on a purchase once the securities have been received by the Fund. The trade will fail if either party fails to meet its obligation.

The Fund is exposed to the credit risk of the Custodian, whose S&P credit rating as of January 31, 2017 was AA (July 31, 2016 – AA-).

The Fund is also exposed to credit risk for the amount of unrealized gains under the foreign currency forward contracts with State Street Bank and Trust Company whose S&P credit rating was AA as of January 31, 2017 (July 31, 2016 – AA-).

As at January 31, 2017 and July 31, 2016, the Fund had exposure to term loan held with the following credit ratings.

Rating	January 31, 2017 (% of NAV)	July 31, 2016 (% of NAV)
<b>BBB-</b>	4.9%	3.8%
<b>BB+</b>	4.1%	3.2%
<b>BB</b>	9.0%	8.7%
<b>BB-</b>	15.6%	13.1%
<b>B+</b>	15.5%	22.9%
<b>B</b>	23.7%	35.9%
<b>B-</b>	7.7%	11.5%
<b>CCC+</b>	0.3%	9.6%
<b>CCC</b>	–	2.2%
<b>CCC-</b>	1.5%	–
<b>D</b>	–	0.4%
<b>Not rated</b>	1.4%	–
<b>Total</b>	<b>83.7%</b>	<b>111.3%</b>

As at January 31, 2017 and July 31, 2016, no debt securities were contractually past due and no longer meeting interest payment obligations.

### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated on time or at a reasonable price with financial liabilities. Unitholder redemption requests are the main liquidity risk for the Fund. The Fund invests a majority of its assets in investments that are traded in an active market and can be readily disposed of. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly. The Fund is exposed to liquidity risk through its monthly and annual redemptions. Liquidity risk is managed by holding a portfolio of actively traded bonds that can be sold to meet redemption requests.

All of the Fund's financial liabilities, other than investments held short on demand, at January 31, 2017 and July 31, 2016 had maturities of less than one year. The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted amounts.

**As at January 31, 2017:**

<b>Financial liabilities</b>	<b>On Demand</b>	<b>less than 3 months</b>	<b>Total</b>
Payable on investment purchases	\$ —	\$ 2,403,875	\$ 2,403,875
Other accounts payable and accrued expenses	—	122,549	122,549
Management fees payable	—	31,948	31,948
Service fees payable	—	9,568	9,568
Distribution payable to unitholders	—	185,170	185,170
<b>Total</b>	<b>\$ —</b>	<b>\$ 2,753,110</b>	<b>\$ 2,753,110</b>

**As at July 31, 2016:**

<b>Financial liabilities</b>	<b>On Demand</b>	<b>less than 3 months</b>	<b>Total</b>
Cash overdraft	\$94,524	\$ —	\$ 94,524
Leverage	—	3,651,340	3,651,340
Payable on investment purchases	—	1,204,633	1,204,633
Other accounts payable and accrued expenses	—	165,192	165,192
Management fees payable	—	29,380	29,380
Service fees payable	—	8,421	8,421
Distribution payable to unitholders	—	184,732	184,732
Interest payable	—	268	268
Unrealized depreciation of foreign currency forward contracts	—	4,509	4,509
<b>Total</b>	<b>\$ 94,524</b>	<b>\$ 5,248,475</b>	<b>\$ 5,342,999</b>

**17 FAIR VALUE MEASUREMENT**

The Fund's assets and liabilities recorded at fair value have been categorized within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3).

The Fund classifies its investments and derivative assets and liabilities into three categories based on the nature of the inputs used to determine their fair value. The categories and the nature of the inputs used in each category are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs, other than quoted prices that are observable for the asset or liability, either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3: Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgement or estimation.

**Equities:** The Fund's long equity positions are classified as Level 1 as the security held is actively traded and a reliable quote is observable. Some equity positions are classified as Level 2 as they are less actively traded.

**Term loans and short-term investments:** Term loans and short-term investments are classified as Level 2 as they are valued using prices obtained from third party vendor pricing services.

**Foreign currency forward contracts:** Foreign currency forward contracts for which inputs, including interest rates, forward market rates and credit spreads are observable and reliable or for which unobservable inputs are determined not to be significant to fair value, are classified as Level 2.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at January 31, 2017 and July 31, 2016:

Assets at fair value as at January 31, 2017	Level 1	Level 2	Level 3	Total
Term loans	\$ —	\$ 23,597,357	\$ —	\$ 23,597,357
Equities	236,499	156,959	—	393,458
Foreign currency forward contracts	—	386,866	—	386,866
<b>Total</b>	<b>\$ 236,499</b>	<b>\$ 24,141,182</b>	<b>\$ —</b>	<b>\$ 24,377,681</b>

Assets at fair value as at July 31, 2016	Level 1	Level 2	Level 3	Total
Term loans	\$ —	\$ 32,244,135	\$ —	\$ 32,244,135
Equities	426,393	205,585	—	631,978
<b>Total</b>	<b>\$ 426,393</b>	<b>\$ 32,449,720</b>	<b>\$ —</b>	<b>\$ 32,876,113</b>

Liabilities at fair value as at July 31, 2016	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ —	\$ 4,509	\$ —	\$ 4,509
<b>Total</b>	<b>\$ —</b>	<b>\$ 4,509</b>	<b>\$ —</b>	<b>\$ 4,509</b>

There were no transfers among the three levels during the six-month periods ended January 31, 2017 and 2016.

## 18 WITHHOLDING TAX

The Fund 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 separated line item in the Statements of Comprehensive Income.

## 19 FINANCIAL INSTRUMENTS BY CATEGORY

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the six-month periods ended January 31, 2017 and 2016.

Net gains (losses) on financial instruments at FVTPL	Net gains (losses)	
	January 31, 2017	January 31, 2016
<b>Financial Assets and Liabilities at FVTPL:</b>		
Held for Trading	\$ (125,803)	\$ (3,223,067)
Designated at inception	1,174,242	2,716,639
<b>Total financial assets and liabilities at FVTPL</b>	<b>\$ 1,048,439</b>	<b>\$ (506,428)</b>

## 20 OFFSETTING OF FINANCIAL INSTRUMENTS

The Fund has entered into a master netting arrangement in connection with its Foreign Currency Forward Contracts with State Street Bank and Trust Company Canada. The agreement meets the criteria for offsetting in the Statements of Financial Position and allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. For counterparties where master netting arrangements are not entered into the gross assets and liabilities have not been offset on the statement of financial position.

The following table presents the recognized financial instruments that are offset, or subject to enforceable master netting agreements or other similar agreements, as at January 31, 2017 and July 31, 2016. The “Net” column shows what the impact on the Fund’s Statements of Financial Position would be if all set-off rights were exercised.

As at January 31, 2017	Gross Amounts	Financial Instruments eligible for offset	Net amounts presented in the statement of financial position	Related amounts not set-off in the Statement of financial position		
				Financial Instruments	Collateral Pledged	Net Amount
<b>Financial Assets</b>						
State Street Bank and Trust Company Canada	\$ 412,536	\$ (25,670)	\$ 386,866	\$ —	\$ —	\$ 386,866
<b>Net Amounts</b>	<b>\$ 412,536</b>	<b>\$ (25,670)</b>	<b>\$ 386,866</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 386,866</b>
<b>Financial Liabilities</b>						
State Street Bank and Trust Company Canada	\$ (25,670)	\$ 25,670	\$ —	\$ —	\$ —	\$ —
<b>Net Amounts</b>	<b>\$ (25,670)</b>	<b>\$ 25,670</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

As at July 31, 2016	Related amounts not set-off in the Statement of financial position					
	Gross Amounts	Financial Instruments eligible for offset	Net amounts presented in the statement of financial position	Financial Instruments	Collateral Pledged	Net Amount
<b>Financial Assets</b>						
State Street Bank and Trust Company Canada	\$ 666	\$ (666)	\$ —	\$ —	\$ —	\$ —
<b>Net Amounts</b>	\$ 666	\$ (666)	\$ —	\$ —	\$ —	\$ —
<b>Financial Liabilities</b>						
State Street Bank and Trust Company Canada	\$ (5,175)	\$ 666	\$ (4,509)	\$ —	\$ —	\$ (4,509)
<b>Net Amounts</b>	\$ (5,175)	\$ 666	\$ (4,509)	\$ —	\$ —	\$ (4,509)

## CORPORATE INFORMATION

### Independent Review Committee

**John Crow**  
Chairman

**C. Scott Browning**

**Robert Falconer**

**Joseph H. Wright**

### Directors and Senior Officers of the Manager

**Joe Canavan**  
Director and Chief Executive Officer

**Mary Anne Palangio**  
Director and President

**Kal Zakarneh**  
Director and Chief Financial Officer

### Manager

LOGiQ Asset Management Ltd.

### Sub-Advisor

Voya Investment Management Co. LLC

### Transfer Agent and Trustee

Computershare Trust Company of Canada

### Custodian

State Street Trust Company Canada

### Auditor

PricewaterhouseCoopers LLP

### Website

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