



ISL Loan Trust II

Semi-Annual Financial Statements

November 30, 2016

MANAGEMENT REPORT OF FUND PERFORMANCE

This semi-annual management report of fund performance for **ISL Loan Trust II** (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 or by visiting 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.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund is an investment fund established under the laws of the Province of Ontario and governed by the Fund’s Trust Agreement (the “Trust Agreement”) dated February 26, 2013 between the Manager of the Fund and Computershare Trust Company of Canada (the “Trustee”). The Fund’s principal office is located at 77 King Street West, Suite 2110, PO Box 92, Toronto, Ontario, M5K 1G8. The fiscal year-end of the Fund is May 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 U Units are denominated in U.S. Dollars.

The Fund’s investment objectives are to:

- (i) provide Unitholder with distributions; and
- (ii) provide an investment in a diversified portfolio consisting primarily of senior secured floating rate corporate loans (“Senior Loans”) and other senior debt obligations of non-investment grade North American borrowers, actively managed by Voya Investment Management Co. LLC (formally ING 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 Senior Loans. The Sub-Advisor generally seeks to make investments in Senior Loans and other debt obligations of borrowers that have (i) significant levels of assets and/or cash flow coverage; (ii) a protective capital structure, with adequate subordinated debt cushion; (iii) strong senior management; and (iv) attractive market positioning. The Portfolio consists primarily of Senior 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 senior, unsecured floating rate loans and notes, second lien floating rate loans and notes, corporate debt securities, short-term debt obligations, money market obligations, and equity securities that are incidental to investment in loans.

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 40% 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 with the Investment Strategy. Accordingly, the maximum amount of leverage that the Trust could employ is 1.67:1. 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.

The Fund entered into a Credit Agreement dated April 30, 2014 between the Fund Manager (on behalf of the Fund) and the Bank of Nova Scotia (the “Counterparty”). Borrowings by the Fund are made in U.S. dollars. The Fund applied leverage in the range from 15.6% to 37.5% or from U.S. \$13,800,000 to U.S. \$34,100,000 during the six-month period ended November 30, 2016. The amount of U.S. \$30,400,000 or the Canadian equivalent of \$40,900,000 was outstanding as of November 30, 2016. The leverage factor was approximately 34.7% as of November 30, 2016

(12.7% to 36.3% or from U.S. \$14,700,000 to U.S. \$44,200,000 during the six-month period ended November 30, 2015. The amount of U.S. \$37,600,000 or the Canadian equivalent of \$50,070,040 was outstanding as of November 30, 2015. The leverage factor was approximately 32.9% as of November 30, 2015).

For full disclosure of the risks associated with an investment in the Fund's Units, please refer to the Prospectus dated February 26, 2013 and to the Fund's most recent Annual Information Form. Both are available at www.logiqasset.com and www.sedar.com.

RESULTS OF OPERATIONS

Sub-Advisor's Commentary (as at January 2017)

Performance Summary

During the six months ended November 30, 2016, Class A shares of ISL Loan Trust II generated a total return of 4.62%, as compared to 4.22% for the S&P/LSTA Leveraged Loan Index ("Index") for the same period.

Market Update

For the most part, the period carried forward the themes that started in March of this year, namely the ongoing hunt for yield and a general risk-on mindset, despite periodic spikes in global volatility. Against this backdrop, senior loans, as represented by the S&P/LSTA Leveraged Loan Index, posted a six-month return of 4.22%, bringing the year-to-date figure to 8.90%.

Strong market technicals, combined with low default activity, had the effect of lifting performing loan prices closer to par (more than half of the performing names in the Index were bid at par or higher as of November 30) and, as such, the riskier/lower-priced cohorts of the market outperformed in predictable fashion. Loans rated CCC and those in default outperformed the broad Index for the period with returns of 12.46% and 16.34%, respectively. With sentiment rallying, deal terms followed the technicals, moving more firmly in favor of issuers, as issuance remained tepid for much of the period, particularly following some of the Brexit noise, and demand picked up from all sources. By the end of the period, market technicals had moved toward a better balance as new issue supply increased, indicated by the growth in par amount outstanding for the Index of \$11.6 billion over the month of November. On the demand side, retail loan funds recorded an inflow of \$1.89 billion in November (per Lipper weekly reporters) and CLO issuance was a sizable \$10.3 billion.

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 rates easing to a nine-month low of 1.66% and 2.11%, respectively, as of November 30.

Portfolio Specifics

The Trust's outperformance versus the Index over the period was primarily the result of the use of leverage in an environment marked by improving prices and investor sentiment. The portfolio benefited on a relative basis from its overweight to Global Tel*Link Corporation (Telecommunications), as well as overweights of Sourcehov (Business Equipment & Services) and Otter Products (Chemicals & Plastics). Avoidance of many of the strongest performers in the Nonferrous Metals/Minerals sectors which rallied considerably over the period was a detractor over the period as was an overweight to Rue 21 Inc. (Retail) and WIS International (Food/Drug Retailers).

Fundamental credit performance continued to be relatively solid, as the portfolio experienced one default during the performance period, as compared to four within the Index over the same timeframe.

Outlook

Of course, what most investors are wondering, as we close out 2016, is how loans will fair longer-term under President-elect Trump's administration. Some optimism now seems to be building about the chance for stronger economic growth under a new government unimpaired by gridlock, given the Republican trifecta (White House, Senate and House of Representatives). We can still expect some volatility in the coming days as the President-elect provides detailed information about the new administration's priorities and policies on a variety of topics, including taxes, infrastructure spending, trade, energy, healthcare, etc. We believe the structural aspects of loans (position in the capital structure, ability to repay at par) in combination with a closing gap between LIBOR and the weighted average LIBOR floor, are all positive catalysts to support demand and help smooth some of the volatility other asset classes, such as HY, might experience in 2017 as economic, monetary and fiscal policies emerge.

Disclaimer

This commentary has been prepared by Voya Investment Management for informational purposes. Nothing contained herein should be construed as (i) an offer to sell or solicitation of an offer to buy any security or (ii) a recommendation as to the advisability of investing in, purchasing or selling any security. Any opinions expressed herein reflect our judgment and are subject to change. Certain of the statements contained herein are statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation, (1) general economic conditions, (2) performance of financial markets, (3) interest rate levels, (4) increasing levels of loan defaults (5) changes in laws and regulations and (6) changes in the policies of governments and/or regulatory authorities. Past performance is no guarantee of future returns.

The opinions, views and information expressed in this commentary regarding holdings are subject to change without notice. The information provided regarding holdings is not a recommendation to buy or sell any security. Fund holdings are fluid and are subject to daily change based on market conditions and other factors.

RECENT DEVELOPMENTS

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.

CAPITAL TRANSACTIONS

The Fund is authorized to issue transferable, redeemable units of beneficial interest (the "Units"), which units may be issued in any number of classes. Each Unit represents an equal, undivided interest in the net assets of the Fund, subject to the terms and conditions of the Trust Agreement.

On March 22, 2013, the Fund completed an initial public offering pursuant to the Prospectus dated February 26, 2013. The Fund issued 14,000,000 Class A Units for \$132,027,924 at \$9.43 per Class A Unit and 1,707,925 Class U Units for U.S. \$16,106,651 at U.S. \$9.43 per Class U Unit.

During the six-month period ended November 30, 2016, the Fund redeemed 2,036,471 Class A Units for the amount of \$19,507,964 and redeemed 310,901 Class U Units for the amount of \$3,522,447 (During the six-month period ended November 30, 2015, the Fund redeemed 2,772,571 Class A Units for the amount of \$27,745,673 and redeemed 88,093 Class U Units for the amount of \$1,025,906).

MARKET REPURCHASES

The Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Class A Units and Class U 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 applicable class immediately prior to the date of any such purchase of Units.

The Fund did not purchase any Class A Units or Class U Units for cancellation during the six-month periods ended November 30, 2016 and 2015.

DISTRIBUTIONS

The Fund pays distributions if, as and when declared by the Fund from time to time.

During the six-month period ended November 30, 2016 the Fund paid distributions of \$3,800,000 to Class A Unitholders. U.S. \$258,946 distributions were paid to Class U Unitholders (During the six-month period ended November 30, 2015, the Fund paid distributions of \$5,260,000 to Class A Unitholders. U.S. \$384,000 distributions were paid to Class U Unitholders).

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 six-month period ended November 30, 2016.

RELATED PARTY TRANSACTIONS

Management Fees

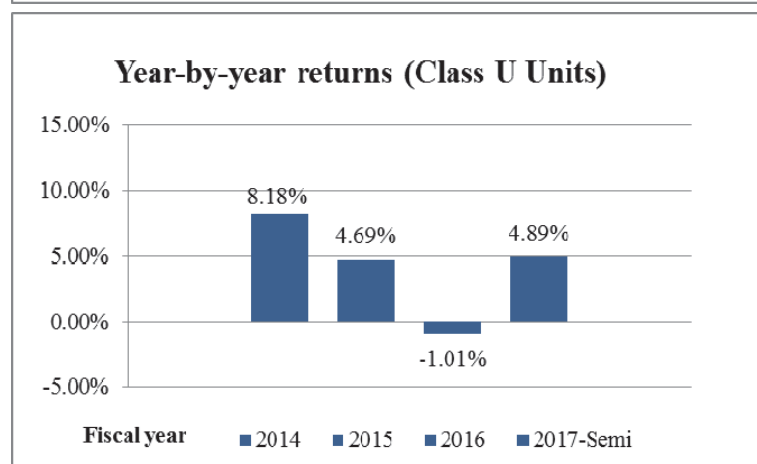
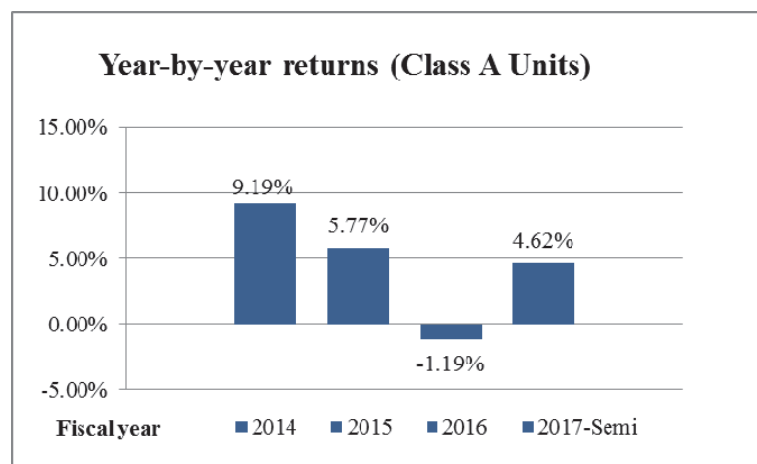
The Manager receives a management fee from the Fund equal in the aggregate to 0.75% per annum of the applicable Net Asset Value, calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund during the six-month period ended November 30, 2016 were \$362,913 (during the six-month period ended November 30, 2015 were \$494,397 plus applicable taxes).

The Manager is responsible for paying the fees of the Sub-Advisor out of the above management fees.

PAST PERFORMANCE

The following bar charts 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:

	November 30, 2016 ⁽⁶⁾	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013 ⁽¹⁾
	CAD	CAD	CAD	CAD	CAD
Net Assets, beginning of period	9.57	10.57	10.41	9.53	9.43
Increase (decrease) from operations:					
Total revenues	0.36	0.84	0.94	0.99	0.06
Total expenses	(0.08)	(0.16)	(0.17)	(0.16)	(0.02)
Realized gains (losses) for the period	0.20	(0.41)	(0.81)	(0.22)	0.06
Unrealized gains (losses) for the period	(0.05)	(0.44)	0.60	0.27	(0.05)
Total increase (decrease) from operations⁽²⁾	0.43	(0.17)	0.57	0.88	0.05
Distributions:					
From income (excluding dividends)	(0.42)	(0.86)	(0.43)	(0.54)	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total Distributions⁽³⁾	(0.42)	(0.86)	(0.43)	(0.54)	–
Net Assets, end of period⁽⁴⁾⁽⁵⁾	9.58	9.57	10.57	10.41	9.48

⁽¹⁾ Results for the period from March 22, 2013 (commencement of operations) to May 31, 2013.

⁽²⁾ 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 8,965,924 Class A Units outstanding as of November 30, 2016 (May 31, 2016 – 10,418,776 units).

⁽³⁾ The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

⁽⁴⁾ This is not a reconciliation between the opening and the closing net assets per unit.

⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing June 1, 2014. The information for the period May 31, 2013 to May 31, 2014 is restated under IFRS from Canadian GAAP.

⁽⁶⁾ Results for the six-month period ended November 30, 2016.

Ratios and Supplemental Data (Class A Units):

	November 30, 2016 ⁽⁶⁾	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013 ⁽¹⁾
	CAD	CAD	CAD	CAD	CAD
Net assets (000's)	68,838	88,295	126,824	153,540	140,580
Number of units outstanding	7,185,403	9,221,874	11,994,445	14,746,568	14,746,568
Base Management expense ratio ⁽²⁾⁽³⁾	1.17%	1.13%	1.06%	1.04%	1.13%
Interest expenses ratio ⁽²⁾⁽³⁾	0.44%	0.44%	0.52%	0.61%	0.00%
Management expense ratio (annualized) ⁽³⁾	1.61%	1.57%	1.58%	1.65%	1.13%
Management expense ratio before waivers or absorptions (annualized) ⁽³⁾	1.61%	1.57%	1.58%	1.65%	1.13%
Portfolio turnover rate ⁽⁴⁾	46.21%	66.00%	78.51%	214.86%	8.05%
Trading expense ratio ⁽⁵⁾	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ Results for the period from March 22, 2013 (commencement of operations) to May 31, 2013.

⁽²⁾ 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.

⁽³⁾ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Unit issue expenses, representing all Agents' fees and other offering expenses, which are one-time expenses, have not been annualized.

⁽⁴⁾ 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.

⁽⁵⁾ 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.

⁽⁶⁾ Results for the six-month period ended November 30, 2016.

Class U Units:

The Fund's Net Assets per Class U Unit:

	November 30, 2016 ⁽⁶⁾	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013 ⁽¹⁾
	USD	USD	USD	USD	USD
Net Assets, beginning of period	8.39	9.40	9.77	9.52	9.43
Increase (decrease) from operations:					
Total revenues	0.32	0.74	0.84	0.96	0.06
Total expenses	(0.07)	(0.14)	(0.15)	(0.16)	(0.02)
Realized gains (losses) for the period	0.46	0.57	0.16	0.42	(0.06)
Unrealized gains (losses) for the period	(0.10)	(0.85)	0.91	0.03	0.15
Total increase (decrease) from operations⁽²⁾	0.61	0.32	1.72	1.24	0.13
Distributions:					
From income (excluding dividends)	(0.28)	(0.37)	(0.81)	(0.49)	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	(0.51)	–
Total Distributions⁽³⁾	(0.28)	(0.37)	(0.81)	(1.00)	–
Net Assets, end of period⁽⁴⁾⁽⁵⁾	8.50	8.39	9.40	9.77	9.46

⁽¹⁾ Results for the period from March 22, 2013 (commencement of operations) to May 31, 2013.⁽²⁾ 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 969,415 Class U Units outstanding as of November 30, 2016 (May 31, 2016 – 1,025,845 units).⁽³⁾ The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.⁽⁴⁾ This is not a reconciliation between the opening and the closing net assets per unit.⁽⁵⁾ The Fund adopted International Financial Reporting Standards ("IFRS") commencing June 1, 2014. The information for the period May 31, 2013 to May 31, 2014 is restated under IFRS from Canadian GAAP.⁽⁶⁾ Results for the six-month period ended November 30, 2016.

Ratios and Supplemental Data (Class U Units):

	November 30, 2016 ⁽⁶⁾	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013 ⁽¹⁾
	USD	USD	USD	USD	USD
Net assets (000's)	5,946	8,471	10,323	15,295	16,252
Number of units outstanding	699,381	1,010,282	1,098,375	1,565,214	1,707,925
Base Management expense ratio ⁽²⁾⁽³⁾	1.17%	1.14%	1.05%	1.04%	1.13%
Interest expenses ratio ⁽²⁾⁽³⁾	0.42%	0.45%	0.51%	0.60%	0.00%
Management expense ratio (annualized) ⁽³⁾	1.59%	1.59%	1.56%	1.64%	1.13%
Management expense ratio before waivers or absorptions (annualized) ⁽³⁾	1.59%	1.59%	1.56%	1.64%	1.13%
Portfolio turnover rate ⁽⁴⁾	46.21%	66.00%	78.51%	214.86%	8.05%
Trading expense ratio ⁽⁵⁾	0.00%	0.00%	0.00%	0.00%	0.00%

⁽¹⁾ Results for the period from March 22, 2013 (commencement of operations) to May 31, 2013.⁽²⁾ 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.⁽³⁾ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. Unit issue expenses, representing all Agents' fees and other offering expenses, which are one-time expenses, have not been annualized.⁽⁴⁾ 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.⁽⁵⁾ 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.⁽⁶⁾ Results for the six-month period ended November 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO AS OF NOVEMBER 30, 2016

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.

	Tranche Description	Maturity	Fair value \$	% of
Portfolio by Category				
Term loans			116,863,465	152.1%
Equities			1,575,828	2.0%
Cash			216,708	0.3%
Foreign currency forward contracts			113,936	0.2%
Leverage			(40,875,840)	(53.2%)
Net other assets (liabilities)			(1,061,820)	(1.4%)
Top 25 Holdings				
Calpine Corp	Term Loan B-7	May/31/2023	1,350,738	1.9%
Advantage Sales & Marketing, Inc.	Upsized 1st Lien Term Loan	Jul/23/2021	1,308,649	1.7%
Wilsonart LLC	Term Loan B	Oct/31/2019	1,297,214	1.7%
Golden Nugget, Inc.	Term Loan	Nov/21/2019	1,288,910	1.7%
Eze Castle Software, Inc.	Term Loan B-1	Apr/06/2020	1,287,582	1.7%
U.S. Telepacific Corp.	Term Loan B	Nov/25/2020	1,282,191	1.7%
Aptean Holdings, Inc.	1st Lien Term Loan	Feb/27/2020	1,180,624	1.5%
TI Group Automotive Systems, LLC	Upsized USD Term loan B	Jun/30/2022	1,075,107	1.4%
SRAM, LLC	1st Lien Term Loan	Apr/10/2020	1,072,071	1.4%
Horseshoe Baltimore	Funded Term Loan B	Jul/02/2020	1,056,936	1.4%
Global Tel*Link Corporation	2nd Lien Term Loan	Nov/23/2020	1,046,099	1.4%
SourceHOV, Inc.	2nd Lien Term Loan	Apr/30/2020	1,015,930	1.3%
BMC Software, Inc.	U.S. Term Loan	Sep/10/2020	977,660	1.3%
New Wave Communications	Term Loan B with Add On	Apr/30/2020	961,840	1.3%
Atrium Innovations, Inc.	USD 2nd Lien Term Loan	Aug/13/2021	960,549	1.3%
Cengage Learning Holdings II, Inc.			948,366	1.2%
PetSmart, Inc.	Term Loan B	Mar/11/2022	930,842	1.2%
Communications Sales & Leasing, Inc.	Term Loan B	Oct/24/2022	930,562	1.2%
Hyland Software, Inc.	1st Lien Term Loan	Jul/01/2022	926,817	1.2%
Dell International, LLC	Term Loan B	Sep/07/2023	875,804	1.1%
Securus Technologies, Inc.	Upsized 2nd Lien Term Loan	Apr/30/2021	862,529	1.1%
Kinetic Concepts, Inc.	Dollar Term F	Nov/01/2020	844,653	1.1%
USI, Inc.	Incremental Term Loan (August 2015)	Dec/27/2019	842,464	1.1%
Sedgwick Holdings, Inc.	2nd Lien Term Loan	Feb/28/2022	828,295	1.1%
Western Digital Corporation	USD Term Loan B-1	Apr/29/2023	815,161	1.1%
Net asset value			76,832,277	

ISL Loan Trust II

**Semi-Annual Financial Statements (Unaudited)
November 30, 2016**

Notice to Reader:

These interim financial statements and related notes for the six-month period ended November 30, 2016 have been prepared by Management of LOGIQ Asset Management Ltd.. The auditors of the Fund have not audited or reviewed these interim financial statements.

STATEMENTS OF FINANCIAL POSITION (unaudited)

As at	November 30, 2016		May 31, 2016	
Assets				
Current assets				
Cash and short-term investments	\$	216,708	\$	358,606
Financial assets at fair value through profit or loss		118,439,293		134,283,545
Receivable from investment sales		3,410,549		2,319,901
Interest receivable		685,460		932,154
Prepaid expenses and other amounts receivable		53,684		69,354
Unrealized gain on foreign currency forward contracts		113,936		51,826
Total assets		122,919,630		138,015,386
Liabilities				
Current liabilities				
Leverage (note 10)		40,875,840		29,039,820
Payable on investment purchases		4,921,600		8,834,059
Other accounts payable and accrued expenses		237,803		226,365
Management fees payable		52,110		64,702
Unrealized loss on foreign currency forward contracts		-		474,296
Total liabilities		46,087,353		38,639,242
Net assets attributable to holders of redeemable	\$	76,832,277	\$	99,376,144
Net assets attributable to holders of redeemable units per class per unit				
Class A	\$	68,837,527	\$	88,294,885
Class U	\$	7,994,750	\$	11,081,259
Class U (USD)	USD	\$ 5,945,820	USD	\$ 8,471,263
Net assets attributable to holders of redeemable	\$	76,832,277	\$	99,376,144
Redeemable units outstanding per class (note 5)				
Class A		7,185,403		9,221,874
Class U		699,381		1,010,282
Net assets attributable to holders of redeemable units per class per unit				
Class A	\$	9.58	\$	9.57
Class U	\$	11.43	\$	10.97
Class U (USD)	USD	\$ 8.50	USD	\$ 8.39

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



Derek Slemco

Director


Kal Zakarneh

Chief Financial Officer

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the six-month periods ended November 30	2016	2015
Income		
Net Gains (Losses) on investments and derivatives at FVTPL (Note 3):		
Interest income for distribution purposes	\$ 3,662,568	\$ 5,440,007
Net realized gain (loss) on investments	5,203,245	9,187,547
Net realized gain (loss) on foreign currency forward contracts	(2,979,252)	(12,313,607)
Changes in unrealized appreciation (depreciation) on investments	(441,242)	(5,160,883)
Change in unrealized appreciation (depreciation) on foreign currency forward contracts	536,405	4,776,620
Net Gains (Losses) on investments and derivatives at FVTPL	5,981,724	1,929,684
Other income comprised of:		
Realized foreign exchange gain (loss) on currency	213,483	(5,283,804)
Changes in unrealized foreign exchange appreciation (depreciation) on currency	33,636	7,543
Change in unrealized foreign exchange appreciation (depreciation) on leverage	(828,638)	1,501,777
Total other income	(581,519)	(3,774,484)
Total income (loss)	5,400,205	(1,844,800)
Expenses		
Management fees (note 9)	362,913	494,397
Interest expense (note 10)	207,782	266,079
Custodial and other unitholder fees	115,473	122,155
Harmonized sales tax	47,179	64,272
Other expenses	32,819	29,726
Audit fees	5,528	5,528
Legal fees	5,480	15,268
Filing fees	1,504	1,505
Total expenses	778,678	998,930
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,621,527	\$ (2,843,730)
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit		
Class A	3,850,606	(3,258,506)
Class U	770,921	414,776
Class U (USD) ⁽¹⁾	USD 587,781	USD 358,646
Weighted average number of units outstanding during the period		
Class A	8,965,924	11,615,678
Class U	969,415	1,041,408
Increase (decrease) in net assets attributable to holders of redeemable units per class per unit⁽²⁾		
Class A	0.43	(0.28)
Class U	0.80	0.40
Class U (USD) ⁽¹⁾	USD 0.61	USD 0.34

(1) based on average exchange rate for the year

(2) based on weighted average number of units outstanding during the year

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (unaudited)

For the six-month periods ended November 30	2016	2015
Class A		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 3,850,606	\$ (3,258,506)
Distributions to unitholders from: (note 8)		
Net investment income	(3,800,000)	(5,260,000)
Unitholders' transactions (note 5)		
Proceeds from redeemable units issued	-	-
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units	(19,507,964)	(27,745,673)
	(19,507,964)	(27,745,673)
Change in net assets attributable to holders of redeemable units during the period	(19,457,358)	(36,264,179)
Net assets attributable to holders of redeemable units, beginning of period	88,294,885	126,823,837
Net assets attributable to holders of redeemable units, end of period	68,837,527	90,559,658
Class U		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 770,921	\$ 414,776
Distributions to unitholders from: (note 8)		
Net investment income	(334,983)	(491,651)
Unitholders' transactions (note 5)		
Proceeds from redeemable units issued	-	-
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units	(3,522,447)	(1,025,906)
	(3,522,447)	(1,025,906)
Change in net assets attributable to holders of redeemable units during the period	(3,086,509)	(1,102,781)
Net assets attributable to holders of redeemable units, beginning of period	11,081,259	12,885,129
Net assets attributable to holders of redeemable units, end of period	7,994,750	11,782,348
Total		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,621,527	\$ (2,843,730)
Distributions to unitholders from: (note 8)		
Net investment income	(4,134,983)	(5,751,651)
Unitholders' transactions (note 5)		
Proceeds from redeemable units issued	-	-
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units	(23,030,411)	(28,771,579)
	(23,030,411)	(28,771,579)
Change in net assets attributable to holders of redeemable units during the period	(22,543,867)	(37,366,960)
Net assets attributable to holders of redeemable units, beginning of period	99,376,144	139,708,966
Net assets attributable to holders of redeemable units, end of period	\$ 76,832,277	\$ 102,342,006

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS (unaudited)

For the six-month periods ended November 30	2016	2015
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,621,527	\$ (2,843,730)
Adjustments to reconcile to operating cash flows:		
Net realized (gain) loss on sales of investments	(5,203,245)	(9,187,547)
Change in unrealized (appreciation) depreciation on currency	(33,636)	(7,543)
Change in unrealized (appreciation) depreciation on leverage	828,638	(1,501,777)
Change in unrealized (appreciation) depreciation on the value of investments	441,242	5,160,883
Change in unrealized (appreciation) depreciation on the value of foreign currency forward contracts	(536,405)	(4,776,620)
Purchases of investments	(48,121,413)	(49,575,051)
Proceeds from disposition of investment portfolio	63,724,565	89,164,142
(Increase) decrease in interest receivable	246,694	277,123
(Increase) decrease in other receivable	15,665	27,272
Increase (decrease) in other accounts payable and accrued expenses	11,438	36,666
Increase (decrease) in management fees payable	(12,592)	(26,026)
Net cash flows provided by (used in) operating activities	15,982,478	26,747,792
Cash flows provided by (used in) financing activities		
Distributions to holders of redeemable units, net of reinvested distributions	(4,134,983)	(5,751,651)
Amounts paid on redemption of redeemable units (note 5)	(23,030,411)	(28,771,579)
Repayment of leverage	11,007,382	8,257,542
Net cash flow provided by financing activities	(16,158,012)	(26,265,688)
Changes in unrealized appreciation (depreciation) on foreign exchange	33,636	7,543
Net increase (decrease) in cash and short-term investments during the period	(175,534)	482,104
Cash (Cash Overdraft) and short-term investments - beginning of period	358,606	111,168
Cash and short-term investments - end of period	\$ 216,708	\$ 600,815
Supplementary information		
Interest received, net of withholding tax	4,339,818	5,793,170
Interest paid	217,474	244,935
Dividends received net of withholding tax	-	-

The accompanying notes are an integral part of these financial statements

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at November 30, 2016

Units	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV	
Investments⁽¹⁾						
Short-term investments						
USD 106,830	USD Eurodollar Time Deposit Overnight Sweep 0.01%		143,644	143,644	0.2%	
Total Short-term Investments			143,644	143,644	0.2%	
Par Value	Term loans					
USD 997,500	Calpine Corp	Term Loan B-7	May/31/2023	1,276,425	1,350,738	1.9%
USD 980,000	Advantage Sales & Marketing, Inc.	Upsized 1st Lien Term Loan	Jul/23/2021	1,077,069	1,308,649	1.7%
USD 962,502	Wilsonart LLC	Term Loan B	Oct/31/2019	1,000,738	1,297,214	1.7%
USD 947,625	Golden Nugget, Inc.	Term Loan	Nov/21/2019	994,096	1,288,910	1.7%
USD 957,295	Eze Castle Software, Inc.	Term Loan B-1	Apr/06/2020	1,057,925	1,287,582	1.7%
USD 964,740	U.S. Telepacific Corp.	Term Loan B	Nov/25/2020	1,086,252	1,282,191	1.7%
USD 877,500	Aptean Holdings, Inc.	1st Lien Term Loan	Feb/27/2020	967,977	1,180,624	1.5%
USD 794,114	TI Group Automotive Systems, LLC	Upsized USD Term loan B	Jun/30/2022	1,019,527	1,075,107	1.4%
USD 807,920	SRAM, LLC	1st Lien Term Loan	Apr/10/2020	815,708	1,072,071	1.4%
USD 794,000	Horseshoe Baltimore	Funded Term Loan B	Jul/02/2020	884,000	1,056,936	1.4%
USD 800,000	Global Tel*Link Corporation	2nd Lien Term Loan	Nov/23/2020	809,882	1,046,099	1.4%
USD 1,155,000	SourceHOV, Inc.	2nd Lien Term Loan	Apr/30/2020	1,255,217	1,015,930	1.3%
USD 742,097	BMC Software, Inc.	U.S. Term Loan	Sep/10/2020	889,038	977,660	1.3%
USD 715,783	New Wave Communications	Term Loan B with Add On	Apr/30/2020	782,606	961,840	1.3%
USD 750,000	Atrium Innovations, Inc.	USD 2nd Lien Term Loan	Aug/13/2021	870,639	960,549	1.3%
USD 689,500	PetSmart, Inc.	Term Loan B	Mar/11/2022	914,053	930,842	1.2%
USD 687,519	Communications Sales & Leasing, Inc.	Term Loan B	Oct/24/2022	815,159	930,562	1.2%
USD 686,408	Hyland Software, Inc.	1st Lien Term Loan	Jul/01/2022	864,529	926,817	1.2%
USD 645,000	Dell International, LLC	Term Loan B	Sep/07/2023	821,055	875,804	1.1%
USD 661,401	Securus Technologies, Inc.	Upsized 2nd Lien Term Loan	Apr/30/2021	694,581	862,529	1.1%
USD 638,396	Kinetic Concepts, Inc.	Dollar Term F	Nov/01/2020	825,861	844,653	1.1%
USD 625,771	USI, Inc.	Incremental Term Loan (August 2015)	Dec/27/2019	679,033	842,464	1.1%
USD 625,000	Sedgwick Holdings, Inc.	2nd Lien Term Loan	Feb/28/2022	686,768	828,295	1.1%
USD 598,500	Western Digital Corporation	USD Term Loan B-1	Apr/29/2023	775,985	815,161	1.1%
USD 595,622	Compuware Corporation	Term Loan B-2	Dec/15/2021	656,291	803,376	1.0%
USD 700,000	Aricent Technologies Ltd.	2nd Lien Term Loan	Apr/07/2022	764,206	793,448	1.0%
USD 593,492	Air Medical Group Holdings, Inc.	Term Loan B	Apr/28/2022	743,950	792,025	1.0%
USD 585,539	Electrical Components International, Inc.	Upsized Term Loan B 2016	May/28/2021	652,205	789,284	1.0%
USD 587,999	Men's Wearhouse, Inc.	Term Loan	Jun/18/2021	648,248	782,711	1.0%
USD 645,125	Belk, Inc.	1st Lien Term Loan	Dec/12/2022	750,490	774,186	1.0%
USD 570,450	Doosan Infracore Bobcat Holdings Co., Ltd.	Term Loan B	May/28/2021	651,006	770,536	1.0%
USD 567,619	SIG Combibloc Group AG	New USD Term Loan	Mar/10/2022	709,381	766,188	1.0%
USD 548,625	SolarWinds Holdings, Inc.	Term Loan	Feb/05/2023	706,413	743,790	1.0%
USD 545,489	Avantor Performance Materials, Inc.	Incremental 1L Term Loan	Jun/21/2022	699,440	739,883	1.0%
USD 572,660	General Nutrition Centers, Inc.	Term Loan B	Mar/04/2019	749,739	738,236	1.0%
USD 2,000,000	WIS International	2nd Lien Term Loan	Jun/01/2019	2,110,262	712,638	0.9%
USD 523,661	Transdigm, Inc.	Term Loan D	May/25/2021	681,810	705,826	0.9%
USD 637,000	Onsite Rental Group Operations Pty Ltd.	Senior Secured Term Loan	Jul/30/2021	683,409	689,491	0.9%
USD 504,586	Flint Group Holdings S.A.R.L.	USD Term Loan B2	Sep/07/2021	543,386	678,183	0.9%
USD 500,000	NEP/NCP Holdco, Inc.	2nd Lien with Add On	Jul/22/2020	598,732	675,662	0.9%
USD 500,000	Wideopenwest Finance, LLC	2016 Term Loan B	Aug/15/2023	640,108	673,374	0.9%

SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at November 30, 2016

Par Value	Term loans (continued...)	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV
USD 497,453	TransUnion LLC	Term Loan B Add-On	Apr/09/2021	637,823	672,817	0.9%
USD 496,250	Petco Animal Supplies, Inc.	Term Loan B-2	Jan/23/2023	685,548	672,679	0.9%
USD 492,500	Accuvant, Inc.	Incremental 1st Lien Term Loan	Jan/28/2022	559,802	666,976	0.9%
USD 500,000	Compuware Corporation	2nd Lien Term Loan	Dec/15/2022	531,024	664,316	0.9%
USD 488,735	Equinox Holdings, Inc.	2015 Old Upsized 1st Lien Term Loan	Jan/31/2020	524,074	661,945	0.9%
USD 487,374	Greeneden U.S. Holdings II, LLC	Existing Term Loan B	Feb/08/2020	531,538	655,732	0.9%
USD 487,635	Infor (US), Inc.	Term Loan B-3	Jun/03/2020	614,392	655,162	0.9%
USD 486,091	Oberthur Technologies	Tranche B-2 Term Loans Repriced	Oct/15/2019	535,682	654,007	0.9%
USD 482,641	Amaya Gaming Group Inc.	Incremental 1st Lien Term Loan	Aug/01/2021	523,087	649,932	0.8%
USD 479,447	First Data Corporation	Term Loan 2021 USD	Mar/24/2021	632,910	648,022	0.8%
USD 482,538	Portillo Restaurant Group	1st Lien Term Loan	Aug/04/2021	524,964	645,036	0.8%
USD 482,414	Aspect Software, Inc.	Exit Term Loan	May/24/2020	624,878	644,458	0.8%
USD 488,750	Encompass Digital Media, Inc.	1st Lien Term Loan	May/28/2021	530,487	639,101	0.8%
USD 488,750	24 Hour Fitness Worldwide, Inc	Term Loan B	Jun/05/2021	538,829	639,101	0.8%
USD 482,176	CareCore National, LLC	Upsized Term Loan B	Mar/05/2021	526,546	636,988	0.8%
USD 496,250	Quality Distribution	1st Lien Term Loan	Aug/18/2022	605,428	632,227	0.8%
USD 466,408	AmWINS Group, Inc.	Term Loan	Sep/06/2019	614,120	631,276	0.8%
USD 459,987	Party City Holdings, Inc	Term Loan-B	Aug/11/2022	608,943	621,149	0.8%
USD 459,648	Warner Music Group	Term Loan C	Nov/01/2023	615,091	617,270	0.8%
USD 450,000	AmWINS Group, Inc.	2nd Lien Term Loan	Sep/06/2020	508,884	612,381	0.8%
USD 450,000	Kraton Polymers LLC	Term Loan Facility	Jan/06/2022	552,512	609,524	0.8%
USD 481,363	U.S. Renal Care, Inc.	1st Lien Term Loan	Dec/30/2022	636,931	608,406	0.8%
USD 448,875	US Foods, Inc.	Term Loan B	Jun/30/2023	577,882	608,030	0.8%
USD 450,000	Kronos Incorporated	1st Lien Term Loan	Oct/31/2023	600,097	606,848	0.8%
USD 492,525	Veritas Technologies Corporation	USD Term Loan B-1	Jan/29/2023	547,051	597,128	0.8%
USD 446,509	Doncasters Group Limited	1st Lien Term Loan USD add-on	Apr/09/2020	459,902	595,873	0.8%
USD 427,994	Applied Systems, Inc.	1st Lien Term Loan Add-On	Jan/25/2021	495,251	578,058	0.8%
USD 436,557	OSG Bulk Ships, Inc.	1st Lien Term Loan	Aug/05/2019	507,398	573,054	0.7%
USD 419,688	Novelis, Inc.	Term Loan B	Jun/02/2022	512,069	566,193	0.7%
USD 408,975	Station Casinos LLC	Term Loan	Jun/01/2023	532,773	553,481	0.7%
USD 406,125	Golden Nugget, Inc.	Delayed Draw Term Loan	Nov/21/2019	426,041	552,390	0.7%
USD 400,000	Asurion, LLC	2nd Lien Term Loan	Mar/03/2021	430,189	542,210	0.7%
USD 445,443	Syniverse Holdings, Inc.	Initial Term Loan	Apr/23/2019	445,850	541,481	0.7%
USD 400,000	Dynegy, Inc.	Term Loan C	Jun/30/2023	518,899	541,370	0.7%
USD 397,990	Navistar, Inc.	Term Loan B	Aug/07/2020	490,648	540,238	0.7%
USD 396,000	KinderCare Education, LLC	Incremental 1st Lien Term Loan	Aug/13/2022	522,747	536,899	0.7%
USD 396,985	Calpine Corp.	Term Loan B-5	May/27/2022	510,180	535,704	0.7%
USD 391,217	Twin River Management Group, Inc.	Term Loan B	Jul/10/2020	424,002	529,910	0.7%
USD 391,963	FMG Resources (August 2006) Pty Ltd.	Term Loan	Jun/30/2019	463,765	528,022	0.7%
USD 390,000	Lions Gate Entertainment Corp.	New Term Loan B	Oct/15/2023	512,750	524,613	0.7%
USD 387,411	Supervalu, Inc.	Term Loan	Mar/21/2019	501,015	523,477	0.7%
USD 379,038	Advance Pierre Foods	1L Term Loan	May/30/2023	478,032	513,239	0.7%
USD 380,000	LegalShield	2nd Lien Term Loan	Jul/01/2020	413,367	509,671	0.7%
USD 380,000	Jo-Ann Stores, Inc.	Term Loan-B	Oct/15/2023	493,523	509,032	0.7%
USD 373,181	First Data Corporation	Term Loan July 2022 Add-On	Jul/08/2022	495,995	504,568	0.7%

SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at November 30, 2016

Par Value	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV
Term loans (continued...)					
USD 419,710	Harvey Gulf International Marine, LLC	Upsized Term Loan A	460,495	503,675	0.7%
USD 374,034	Tronox Pigments (Netherlands) B.V.	Term Loan	483,630	502,925	0.7%
USD 373,114	Surgery Center Holdings, Inc.	1st Lien Term Loan	492,238	502,003	0.7%
USD 356,000	Cortes NP Acquisition Corporation	Term Loan B	454,527	474,888	0.6%
USD 350,000	ON Semiconductor Corporation	Term Loan B	463,310	473,748	0.6%
USD 348,250	Solera Holdings, Inc.	USD Term Loan B	454,125	473,493	0.6%
USD 350,000	Revlon Consumer Products Corporation	Term Loan B 2016	456,852	471,917	0.6%
USD 369,466	4L Holdings, Inc.	Upsized Term Loan B	396,441	470,702	0.6%
USD 350,000	Epicor Software Corporation	08/16 Incremental Term Loan B	444,014	470,316	0.6%
USD 345,000	Avast Software B.V.	Term Loan USD	447,991	468,468	0.6%
USD 345,625	Life Time Fitness, Inc.	Upsized Term Loan B	421,704	465,526	0.6%
USD 344,898	Duff & Phelps Corporation	Upsized Incremental Term Loan B 8/201	355,847	465,343	0.6%
USD 341,316	SurveyMonkey.com, LLC	Term Loan B	371,073	463,523	0.6%
USD 346,010	P.F. Chang's China Bistro, Inc.	Term Loan	358,312	459,429	0.6%
USD 337,360	Avago Technologies Ltd.	Term Loan B-3	442,414	458,256	0.6%
USD 375,000	Encompass Digital Media, Inc.	2nd Lien Term Loan	404,978	441,197	0.6%
USD 327,161	Fitness International, LLC.	Upsized Term Loan B	347,873	440,616	0.6%
USD 322,674	Harbor Freight Tools USA, Inc.	Term Loan-B	415,613	437,781	0.6%
USD 320,000	Visteon Corporation	Term Loan B	412,356	432,154	0.6%
USD 319,920	NXP Semiconductors N.V.	Tranche F Loan	417,902	432,114	0.6%
USD 314,399	Riverbed Technology, Inc.	1st Lien Term Loan	411,565	426,880	0.6%
USD 392,000	Correct Care Solutions, LLC	1st Lien Term Loan	426,996	424,302	0.6%
USD 322,411	Ascena Retail Group, Inc.	Term LoanB	416,028	422,134	0.5%
USD 307,949	Vizient, Inc.	Term Loan B-2	413,210	417,109	0.5%
USD 329,227	Aricent Group	Aug 2015 Upsized 1st Lien Term Loan	360,892	412,798	0.5%
USD 305,000	Quikrete Holdings, Inc.	Term Loan B	407,233	412,359	0.5%
USD 331,491	Seventy Seven Energy, Inc.	Term Loan	346,368	406,722	0.5%
USD 300,000	Virtu Financial, LLC	Term Loan B	398,960	406,405	0.5%
USD 348,948	Avaya, Inc.	Term B-7 Loan	336,763	405,414	0.5%
USD 300,000	Dell Software Group	Term Loan B	389,853	403,632	0.5%
USD 340,633	Avaya, Inc.	Term B-6 Loan	373,214	403,531	0.5%
USD 300,000	Serta Simmons Bedding, LLC	1st Lien Term Loan	399,080	402,444	0.5%
USD 296,129	TaxAct, Inc.	Term Loan B	385,831	401,161	0.5%
USD 295,509	Sivantos, Inc.	Term Loan B USD	384,004	400,819	0.5%
USD 294,750	Varsity Brands, Inc.	Oct 2016 Add On	338,447	399,789	0.5%
USD 293,763	Scientific Games International, Inc.	Term Loan B-2	365,312	398,789	0.5%
USD 300,000	Eze Castle Software, Inc.	2nd Lien Term Loan	387,139	395,985	0.5%
USD 290,000	RedPrairie Corporation	Term Loan B	381,867	390,868	0.5%
USD 295,500	Research Now Group, Inc.	1st Lien Term Loan	374,702	389,383	0.5%
USD 295,110	Salem Communications Corporation	Term Loan B	377,153	388,372	0.5%
USD 286,375	Tekni-Plex, Inc.	1st Lien USD Term Loan	349,112	385,108	0.5%
USD 282,863	LPL Holdings, Inc.	2022 Tranche B Term Loan	374,279	384,140	0.5%
USD 278,929	Acrisure, LLC	Term Loan	370,772	375,047	0.5%
USD 298,500	Fullbeauty Brands, Inc.	1st Lien Term Loan	365,162	374,271	0.5%
USD 274,594	Multiplan, Inc.	1st lien Term Loan	346,635	373,735	0.5%

SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at November 30, 2016

Par Value	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV	
Term loans (continued...)						
USD 286,464	Vince, LLC	Term Loan	Nov/27/2019	327,681	373,624	0.5%
USD 284,288	Cengage Learning Acquisitions, Inc.	Term Loan-B	May/31/2023	357,069	368,533	0.5%
USD 297,704	Neiman Marcus Group, Inc.	Term Loan	Oct/25/2020	359,105	364,717	0.5%
USD 264,500	Emerald Performance Materials, LLC	1st Lien Term Loan	Aug/01/2021	288,114	358,018	0.5%
USD 263,675	CHG Healthcare Services, Inc.	1st lien Term Loan	May/26/2023	332,852	357,165	0.5%
USD 263,542	Filtration Group Corporation	New Upsized 1st Lien Term Loan	Nov/30/2020	274,299	355,318	0.5%
USD 286,341	SunSource, Inc.	1st Lien Term Loan	Feb/12/2021	317,131	355,176	0.5%
USD 275,000	Advantage Sales & Marketing, Inc.	2nd Lien Term Loan	Jul/25/2022	299,290	350,660	0.5%
USD 259,350	Transdigm, Inc.	New Term Loan F	Jun/15/2023	342,366	349,681	0.5%
USD 255,000	Rackspace Hosting, Inc.	Term Loan B	Nov/15/2023	340,055	345,904	0.5%
USD 249,375	Blount International, Inc.	Term Loan B USD	Apr/12/2023	317,994	340,339	0.4%
USD 254,363	McGraw Hill Global Education Holdings, LLC	Term Loan B	May/04/2022	325,348	339,237	0.4%
USD 248,750	KAR Auction Services, Inc.	Term Loan B-3	Mar/09/2023	328,280	338,702	0.4%
USD 250,000	Formula One World Championship Ltd.	Facility B3	Jul/30/2021	272,493	338,111	0.4%
USD 248,750	Select Medical Corporation	Series F Tranche B	Mar/03/2021	324,964	337,814	0.4%
USD 249,375	West Corp.	Term Loan B-12	Jun/30/2023	318,063	337,531	0.4%
USD 248,731	Midas Intermediate Holdco II, LLC	2016 Upsized Term Loan B	Aug/18/2021	317,238	337,161	0.4%
USD 250,000	Forterra Finance, LLC	1st Lien Term Loan	Oct/31/2023	333,409	336,850	0.4%
USD 250,000	Emerald Performance Materials, LLC	2nd Lien Term Loan	Aug/01/2022	272,319	336,780	0.4%
USD 248,127	PolyOne Corporation	Incremental Term Loan B	Nov/12/2022	320,245	336,620	0.4%
USD 250,000	Portillo Restaurant Group, Inc.	2nd Lien Term Loan	Aug/01/2022	272,120	336,360	0.4%
USD 248,750	Huntsman International, LLC	2016 Term Loan B	Mar/28/2023	325,793	336,348	0.4%
USD 248,750	Windstream Corporation	Term Loan B-6	Mar/29/2021	328,248	336,246	0.4%
USD 248,128	AssuredPartners, Inc.	Incremental 1st Lien Term Loan	Oct/21/2022	321,492	335,614	0.4%
USD 247,500	Cirque Du Soleil	1st Lien Term Loan	Jul/08/2022	315,119	335,076	0.4%
USD 247,500	Hostess Brands, LLC	1st Lien Term Loan	Aug/03/2022	325,069	334,868	0.4%
USD 248,125	Acadia Healthcare Company, Inc.	Term Loan B-2	Feb/16/2023	341,170	334,671	0.4%
USD 248,750	NorthStar Asset Management, Inc.	Term Loan B	Jan/31/2023	328,608	334,469	0.4%
USD 248,125	Linxens France SA	Term Loan B-1 USD	Oct/16/2022	325,073	334,463	0.4%
USD 247,500	Vistra Group Ltd.	USD 1st Lien Term Loan	Oct/26/2022	320,905	333,828	0.4%
USD 250,000	Patterson Medical Holdings, Inc.	Upsized 1st Lien Term Loan	Aug/28/2022	321,036	333,209	0.4%
USD 246,843	Vouvray US Finance, LLC	Term Loan B	Jun/30/2021	320,748	332,735	0.4%
USD 246,250	Dynacast International, LLC	Upsized 1st Lien Term Loan	Jan/15/2022	303,827	332,556	0.4%
USD 247,500	Schumacher Group	Upsized 1L Term Loan	Jul/31/2022	328,426	332,511	0.4%
USD 250,000	Aptean Holdings, Inc.	2nd Lien Term Loan	Feb/27/2021	274,015	332,508	0.4%
USD 247,500	Sterigenics International, LLC	Term Loan B	May/08/2022	299,516	332,364	0.4%
USD 246,250	Waste Industries USA, Inc.	Term Loan B	Feb/27/2020	325,165	332,246	0.4%
USD 247,500	Peacock Engineering Company, LLC	1st Lien Term Loan Facility	Jul/27/2022	322,198	331,125	0.4%
USD 248,711	Apex Tool Group	Term Loan B	Jan/31/2020	307,642	330,098	0.4%
USD 244,375	Hillman Group, Inc.	Term Loan B	Jun/30/2021	261,815	329,922	0.4%
USD 245,000	Solenis International, L.P.	USD 1st Lien Term Loan	Jul/31/2021	266,873	329,061	0.4%
USD 248,718	Gardner Denver, Inc.	Term Loan B USD	Jul/30/2020	300,753	325,282	0.4%
USD 238,788	Bass Pro Group, LLC	Term Loan B	Jun/05/2020	304,595	319,918	0.4%

SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at November 30, 2016

Par Value	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV
Term loans (continued...)					
USD 236,261	RBS Global, Inc. 1st Lien Term Loan	Aug/21/2020	310,945	318,670	0.4%
USD 233,816	Aspen Dental Management, Inc. Incremental Term Loan B	Apr/30/2022	301,018	316,747	0.4%
USD 254,264	Academy Ltd. Term Loan	Jul/01/2022	322,919	316,562	0.4%
USD 233,491	Medpace Holdings, Inc. Term loan B	Apr/01/2021	253,360	314,736	0.4%
USD 304,858	Lands' End, Inc. Term Loan B	Apr/04/2021	335,960	312,558	0.4%
USD 230,000	Leslies Poolmart, Inc. Term Loan-B	Aug/16/2023	298,661	311,513	0.4%
USD 230,114	TricorBraun, Inc. Incremental Term Loan	May/03/2018	232,035	309,604	0.4%
USD 312,807	Harvey Gulf International Marine, LLC Upsized Term Loan B	Jun/18/2020	314,419	309,491	0.4%
USD 225,779	NAPA Management Services Corporation Upsized 1st Lien Term Loan	Apr/19/2023	284,074	305,797	0.4%
USD 223,077	Manitowoc Foodservice, Inc. Term Loan B	Mar/03/2023	299,350	304,946	0.4%
USD 250,000	Accudyne Industries, LLC Term Loan	Dec/13/2019	291,128	301,134	0.4%
USD 325,000	Jason Incorporated 2nd Lien Term Loan	Jun/30/2022	342,314	294,972	0.4%
USD 216,805	XPO Logistics, Inc. Term Loan B	Oct/31/2021	280,999	294,942	0.4%
USD 216,667	Delta 2 (Lux) S.a.r.l. 2nd lien facility	Aug/08/2022	234,974	293,424	0.4%
USD 210,788	Orion Engineered Carbons S.A. Term loan B (USD)	Jul/25/2021	228,828	285,109	0.4%
USD 210,083	Wash Multi-Family Laundry Systems, LLC USD 1st Lien Term Loan	May/26/2022	250,746	278,946	0.4%
USD 205,000	Greeneden U.S. Holdings II, LLC USD Term Loan	Nov/17/2023	271,539	277,079	0.4%
USD 200,000	ESH Hospitality, Inc. Term Loan B	Aug/25/2023	257,606	271,245	0.4%
USD 199,500	Alliant Holdings, I, LLC Incremental Term Loan (non-fungible)	Aug/14/2022	257,349	270,176	0.4%
USD 196,297	CBS Radio, Inc. Term Loan B	Oct/10/2023	258,080	265,838	0.3%
USD 198,473	Sedgwick Holdings, Inc. 1st Lien Term Loan	Feb/28/2021	258,553	265,833	0.3%
USD 195,000	BroadStreet Partners, Inc. Term Loan B	Nov/08/2023	259,208	262,852	0.3%
USD 191,790	American Casino and Entertainment Properties, LLC Term Loan	Jul/07/2022	243,577	259,332	0.3%
USD 350,000	Healogics, Inc. 2nd Lien Term Loan	Jul/01/2022	384,725	258,836	0.3%
USD 200,000	Omnitrac Inc. Upsized 2nd Lien Term Loan	May/25/2021	211,699	257,267	0.3%
USD 189,038	Hilex Poly Co, LLC Incremental Term Loan	Dec/09/2021	237,476	255,896	0.3%
USD 184,528	M/A-COM Technology Solutions Holdings, Inc. Upsized Term Loan B	May/07/2021	236,602	250,908	0.3%
USD 198,435	MEG Energy Corp. Term Loan	Mar/31/2020	223,643	250,340	0.3%
USD 189,523	Fairmount Santrol, Inc. Tranche B-2 Term Loans	Sep/05/2019	205,223	244,640	0.3%
USD 180,000	ExamWorks Group, Inc. 1st lien Term Loan	Jul/27/2023	234,684	243,503	0.3%
USD 187,578	CHS/Community Health Systems, Inc. Term Loan G	Dec/31/2019	228,309	239,764	0.3%
USD 174,633	EFS Cogen Holdings I LLP Term Loan	Jun/15/2023	223,119	237,698	0.3%
USD 175,000	Proampac Intermediate, Inc. 1st Lien Term Loan	Nov/18/2023	232,978	236,923	0.3%
USD 172,960	Kleopatra Holdings 2 S.C.A. Initial US Borrower Dollar Term Loans	Apr/28/2020	229,398	234,597	0.3%
USD 171,875	Ventia Pty Ltd. Upsized Term Loan B	May/21/2022	222,826	233,703	0.3%
USD 171,491	Rovi Corporation Term Loan B	Jul/02/2021	212,325	231,740	0.3%
USD 170,000	Envision Healthcare Corporation Tranche C Term Loan	Nov/17/2023	226,321	229,296	0.3%
USD 200,000	FullBeauty Brands, Inc. 2nd Lien Term Loan	Oct/14/2023	229,819	228,582	0.3%
USD 217,372	iHeartCommunications, Inc. Term Loan E	Jul/30/2019	233,718	226,516	0.3%
USD 164,588	Omnova Solutions, Inc. Term Loan B	Aug/24/2023	209,649	223,241	0.3%
USD 165,068	Milacron LLC Term Loan	Sep/28/2020	202,242	223,194	0.3%
USD 165,000	UPC Financing Partnership Term Loan AN	Aug/31/2024	215,373	223,162	0.3%
USD 174,903	Jason Incorporated 1st Lien Term Loan	Jun/30/2021	188,643	222,240	0.3%

SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at November 30, 2016

Par Value	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV	
Term loans (continued...)						
USD 160,000	Landry's Restaurants	Term Loan	Oct/03/2023	210,685	216,817	0.3%
USD 179,664	Onex Carestream Finance LP	1st Lien Term Loan	Jun/07/2019	188,399	216,211	0.3%
USD 150,000	Press Ganey Holdings, Inc.	2nd Lien Term Loan	Oct/01/2024	195,916	205,220	0.3%
USD 150,000	WireCo WorldGroup, Inc.	1st Lien Term Loan	Sep/29/2023	196,428	203,833	0.3%
USD 150,000	Casella Waste Systems, Inc.	Term Loan B	Oct/17/2023	197,212	203,707	0.3%
USD 150,000	Dayton Power and Light Company	Term Loan	Aug/30/2022	191,667	203,581	0.3%
USD 150,000	UFC Holdings, LLC	1st Lien Term Loan	Aug/04/2023	195,794	203,434	0.3%
USD 150,000	Versum Materials, Inc.	Term Loan B	Oct/01/2023	196,906	203,329	0.3%
USD 150,000	Entercom Communications Corporation	New Term Loan B	Nov/01/2023	200,902	203,203	0.3%
USD 149,625	Precyse Acquisition Corp.	1st lien Term Loan	Oct/20/2022	187,306	203,072	0.3%
USD 149,625	ADT Corporation	Upsized ADT 1st Lien Term Loan B-1	May/02/2022	187,368	202,946	0.3%
USD 150,000	Global Brass and Copper, Inc.	Term Loan B	Jun/30/2023	193,577	202,819	0.3%
USD 149,625	ATI Holdings, Inc.	1st Lien Term Loan	May/10/2023	190,420	202,611	0.3%
USD 150,000	Vertafore, Inc.	Term Loan B	Jun/30/2023	192,615	202,604	0.3%
USD 150,000	Telesat Canada	Term Loan B	Nov/14/2023	200,772	202,530	0.3%
USD 150,000	Advanced Disposal Services, Inc.	Term Loan B	Nov/08/2023	201,590	202,131	0.3%
USD 150,000	Cavium, Inc.	Term Loan B	Aug/15/2022	192,233	201,811	0.3%
USD 149,250	Evoqua Water Technologies, LLC	Incremental Term Loan	Jan/15/2021	187,785	201,810	0.3%
USD 150,000	Winnebago Industries, Inc.	Term Loan B	Nov/08/2023	199,272	201,690	0.3%
USD 149,625	NBTY, Inc.	USD Term Loan B	May/05/2023	188,984	201,626	0.3%
USD 150,000	Blackboard, Inc.	Term Loan B-4	Jun/30/2021	196,525	200,745	0.3%
USD 150,000	Royal Adhesives & Sealants, LLC	2nd Lien Term Loan	Jun/19/2023	184,590	200,682	0.3%
USD 144,251	iQor US, Inc.	1st Lien Term Loan	Apr/01/2021	153,117	183,292	0.2%
USD 135,000	Telenet Group Holding NV	Term Loan AF	Jan/31/2025	180,634	181,408	0.2%
USD 147,407	Veritas Technologies Corporation	Term Loan B-2	Jan/29/2023	168,118	177,640	0.2%
USD 500,000	rue21, inc.	9.00% Senior Unsecured Notes	Oct/15/2021	437,824	171,437	0.2%
USD 156,499	iQor US, Inc.	2nd Lien Term Loan	Apr/01/2022	165,900	169,395	0.2%
USD 210,000	FTS International, Inc.	Term Loan	Apr/16/2021	125,061	168,714	0.2%
USD 150,000	Del Monte Foods, Inc.	2nd Lien	Aug/18/2021	158,219	160,344	0.2%
USD 112,342	Dollar Tree, Inc.	Term Loan-B3	Jul/06/2022	147,011	152,754	0.2%
USD 99,221	Microsemi Corporation	Term Loan B	Jan/15/2023	133,389	134,510	0.2%
USD 103,472	SourceHOV, LLC	1st Lien Term Loan	Oct/31/2019	113,622	123,933	0.2%
USD 85,549	Allnex S.a.r.l.	Term B-2 Facility	Sep/13/2023	109,853	116,215	0.2%
USD 94,751	Fram Group Holdings, Inc.	2nd Lien Term Loan	Jan/29/2018	97,216	115,565	0.2%
USD 83,414	Flint Group S.A.	USD Term Loan C	Sep/07/2021	89,828	112,158	0.1%
USD 75,582	Aruba Investments, Inc.	US Term Loan	Feb/02/2022	93,054	101,521	0.1%
USD 73,915	Kleopatra Holdings 2 S.C.A	Initial German Borrower Dollar Term Lo	Apr/28/2020	98,033	100,380	0.1%
USD 71,961	Otter Products, LLC	Term Loan B	Jun/03/2020	77,457	93,614	0.1%
USD 150,272	rue21, Inc.	Term Loan B	Oct/09/2020	166,593	88,905	0.1%
USD 64,451	Allnex S.a.r.l.	Term B-3 Facility	Sep/13/2023	82,762	87,555	0.1%
USD 62,241	Global Payments, Inc.	Term Loan B	Apr/22/2023	84,057	84,561	0.1%
USD 36,792	Wash Multi-Family Laundry Systems, LLC	CAD 1st Lien Term Loan	May/26/2022	43,913	48,852	0.1%
Term loans in USD				108,345,932	116,863,465	152.1%
Total Term Loans				108,345,932	116,863,465	152.1%

SCHEDULE OF INVESTMENT PORTFOLIO (continued...)

As at November 30, 2016

Shares		Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV	
Common Stock					
Information Technology					
USD 37,451	Cengage Learning Holdings II, Inc.	1,516,099	948,366	1.2%	
USD 47,889	Everyware Global, Inc.	472,863	507,083	0.7%	
USD 27,693	Longview Power, LLC	383,943	97,428	0.1%	
USD 6,483	Millennium Health, LLC	63,440	14,165	0.0%	
USD 18	Southcross Holdings LP	20,826	8,592	0.0%	
USD 55	Longview Power, LLC	-	194	0.0%	
USD 18	Southcross Holdings GP, LLC	-	-	0.0%	
Total Common Stock		2,457,171	1,575,828	2.0%	
Total investments		110,946,747	118,582,937	154.3%	
		Maturity date	Contract price / rate (\$)	Unrealized gain (loss) (\$)	% of NAV
Foreign currency forward contracts ⁽³⁾					
	Bought USD 925,000, Sold CAD 1,249,284 ⁽²⁾	Jun/23/2016	0.740424	(5,794)	0.0%
	Bought CAD 7,881,993, Sold USD 5,853,133	Jun/23/2016	1.346628	13,550	0.0%
	Bought CAD 69,647,600, Sold USD 51,720,000	Jun/23/2016	1.346628	119,730	0.2%
	Bought USD 5,853,133, Sold CAD 7,881,993 ⁽²⁾	Jun/23/2016	0.742596	(13,550)	0.0%
Total foreign currency forward contracts				113,936	0.2%
Leverage				(40,875,840)	(53.2%)
Cash				73,064	0.1%
Net other assets (liabilities)				(1,061,820)	(1.4%)
Net assets of the Fund			\$	76,832,277	100.0%

(1) The investments held in the portfolio are all floating rate notes.

(2) The unrealized forward currency contract gain and losses are attributed to and allocated solely to the Class U Units.

(3) The foreign currency forward contracts above were held with State Street Bank and Trust Company and its counterparty credit rating was AA.

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS (NOVEMBER 30, 2016)

1 GENERAL INFORMATION

ISL Loan Trust II (the “Fund”) is an investment fund established under the laws of the Province of Ontario and governed by the Fund’s Trust Agreement (the “Trust Agreement”) dated February 26, 2013 between the Manager and Computershare Trust Company of Canada (the “Trustee”). The Fund commenced operations on March 22, 2013. The Fund’s principal office is located at 77 King Street West, Suite 2110, PO Box 92, Toronto, Ontario, M5K 1G8. The fiscal year-end of the Fund is May 31.

The beneficial interest in the net assets and net income of the Fund is divided into Units of two classes, Class A Units and Class U Units. The Fund is authorized to issue Units of each class. The Class U Units are denominated in U.S. Dollars.

The Fund’s investment objectives are to:

- (i) provide Unitholder with distributions, and ;
- (ii) provide an investment in a diversified portfolio consisting primarily of senior secured floating rate corporate loans (“Senior Loans”) and other senior debt obligations of non-investment grade North American borrowers, actively managed by Voya Investment Management Co. LLC (formally ING Investment Management Co. LLC) (the “Sub-Advisor”).

In order to achieve the Fund’s objectives, the Sub-Advisor invests in a broadly diversified portfolio (the “Portfolio”) composed primarily of Senior Loans. The Sub-Advisor generally seeks to make investments in Senior Loans and other debt obligations of borrowers that have (i) significant levels of asset and/or cash flow coverage; (ii) a protective capital structure, with adequate subordinated debt cushion; (iii) strong senior management; and (iv) attractive market positioning. The Portfolio consists primarily of Senior 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 senior, unsecured floating rate loans and notes, second lien floating rate loans and notes, corporate debt securities, short-term debt obligations, money market obligations and equity securities that are incidental to investments in loans.

These financial statements were authorized for issue by the Manager on January 30, 2017.

2 BASIS OF PREPARATION

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 Funds’ 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 equity securities and fixed income 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.

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 and options) is based on quoted market prices at the close of trading on the reporting date. The Funds use 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 Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including foreign currency forward contracts and options, is determined using valuation techniques. The Funds use a variety of methods and make 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 that make the maximum use of observable inputs.

Refer to Note 13 to the Financial Statements for further information about the Funds' fair value measurements.

c) Cash and Short Term Notes

Cash consists of cash in hand, deposits held with and overdrafts. Cash and short-term investments include cash and cash equivalents with maturities less than 90 days from the date of acquisition.

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) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities are expensed and are recognized in the Statements of Comprehensive Income.

f) Income Taxes

The Fund qualifies as a unit trust and is deemed a financial institution 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 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.

g) 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.

h) Foreign Currency Translation

The majority of the Funds' subscriptions and redemptions are denominated in Canadian dollar, which is also its functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at dates that transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated in to the functional currency using the exchange rate prevailing 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 realized gain (loss) on foreign exchange" in the Statements of Comprehensive Income.

i) Derivative Contracts

The Fund is exposed to the foreign currency forward contracts. The carrying value of the foreign currency forward contracts is the gain or loss that would be realized if the positions 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 as net realized gain or loss on foreign currency forward contracts.

j) Increase (decrease) Net Assets attributable to holders of redeemable units per unit

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

k) 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 to all classes, less the liabilities attributable only to that class. Expenses directly attributable to a class are charged to that class. Other expenses, income, realized and unrealized gains and losses are allocated proportionately to each class based upon the relative Net Assets of each class.

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.

m) Classification of Redeemable Units Issued by the Fund

Under Canadian GAAP, the Fund accounted for their redeemable units as equity. 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 series fails to meet the criteria outlined in IAS 32.16(a) and (c). Specifically, the unitholders would not be entitled to a pro rata share of the entity's Net Assets attributable to holders of redeemable units upon liquidation due to the differing series, nor would each series have identical features. Accordingly, all of the criteria in IAS 32.16 are not met. As such, in accordance with the standard, the equity method is not applied and instead, Net Assets attributable to holders of redeemable units are presented as liability on the Statements of Financial Position.

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 have made in preparing the financial statements:

Functional and Presentation Currency

The Fund's investors are mainly Canadian residents, with the subscriptions and redemptions of the redeemable shares denominated in Canadian dollars. The primary activity of the Fund is to invest in Canadian and US securities and derivatives and to offer Canadian investors a higher return compared to other products available in Canada. The performance of the Fund is measured and reported to the investors in Canadian dollar. 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 markers. 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 fixed income 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 Fund is authorized to issue redeemable, transferable Units of beneficial interest, which Units may be issued in any number of classes. Each Unit represents an equal, undivided interest in the net assets of the Fund, subject to the terms and conditions of the Trust Agreement.

On March 22, 2013, the Fund completed an initial public offering pursuant to the Prospectus dated February 26, 2013. The Fund issued 14,000,000 Class A Units for \$132,027,924 at \$9.43 per Class A Unit and 1,707,925 Class U Units for U.S. \$16,106,651 at U.S. \$9.43 per Class U Unit.

During the six-month period ended November 30, 2016, the Fund redeemed 2,036,471 Class A Units for the amount of \$19,507,964 and redeemed 310,901 Class U Units for the amount of \$3,522,447 (During the six-month period ended November 30, 2015, the Fund redeemed 2,772,571 Class A Units for the amount of \$27,745,673 and redeemed 88,093 Class U Units for the amount of \$1,025,906).

Changes in outstanding Units during the six-month period ended November 30, 2016 and 2015 are summarized as follows:

	Class A Units		Class U Units	
	November 30, 2016	November 30, 2015	November 30, 2016	November 30, 2015
Balance – beginning of year	9,221,874	11,994,445	1,010,282	1,098,375
Units redeemed	(2,036,471)	(2,772,571)	(310,901)	(88,093)
Balance – end of year	7,185,403	9,221,874	699,381	1,010,282

As at November 30, 2016 and 2015, 100% of Units were held by BNS as counterparty to the forward agreement held by Voya Diversified Floating Rate Senior Loan Fund.

6 FUND ADMINISTRATION

State Street Bank and 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.

7 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 this service, the Fund pays a fee to the Custodian. The Custodian is rated A+ by S&P as of November 30, 2016 and May 31, 2016.

8 DISTRIBUTIONS

The Fund pays distributions if, as and when declared by the Fund from time to time.

During the six-month period ended November 30, 2016 the Fund paid distributions of \$3,800,000 to Class A Unitholders. U.S. \$258,946 distributions were paid to Class U Unitholders (During the six-month period ended November 30, 2015, the Fund paid distributions of \$5,260,000 to Class A Unitholders. U.S. \$384,000 distributions were paid to Class U Unitholders).

9 RELATED PARTY TRANSACTIONS

Management Fees

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

The Manager receives a management fee from the Fund equal in the aggregate to 0.75% per annum of the applicable Net Asset Value, calculated daily and payable monthly in arrears, plus applicable taxes.

The management fees charged to the Fund during the six-month period ended November 30, 2016 were \$362,913 (during the six-month period ended November 30, 2015 were \$494,397 plus applicable taxes).

10 LEVERAGE

The Fund may employ leverage of up to 40% 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 with the Investment Strategy. Accordingly, the maximum amount of leverage that the Trust could employ is 1.67:1. 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.

The Fund entered into a Credit Agreement dated April 30, 2014 between the Fund Manager (on behalf of the Fund) and the Bank of Nova Scotia (the “Counterparty”). Borrowings by the Fund are made in U.S. dollars. The Fund applied leverage in the range from 15.6% to 37.5% or from U.S. \$13,800,000 to U.S. \$34,100,000 during the six-month period ended November 30, 2016. The amount of U.S. \$30,400,000 or the Canadian equivalent of \$40,900,000 was outstanding as of November 30, 2016. The leverage factor was approximately 34.7% as of November 30, 2016 (12.7% to 36.3% or from U.S. \$14,700,000 to U.S. \$44,200,000 during the six-month period ended November 30, 2015. The amount of U.S. \$37,600,000 or the Canadian equivalent of \$50,070,040 was outstanding as of November 30, 2015. The leverage factor was approximately 32.9% as of November 30, 2015). The related interest expense during the six-month period ended November 30, 2016 was \$207,782 (\$266,079 during the same period ended November 30, 2015).

11 INCOME TAXES

The Fund is a financial institution for purposes of the “specified debt obligation” and “mark-to-market” rules contained in the Income Tax Act (Canada) as more than 50% of the fair market value of all interests in the Fund are held any time by one or more such financial institutions. The Fund is subject to tax in each taxation year under Part I of the Income Tax Act (Canada) on the amount of its income for the year, including net unrealized gains, if any, less the portion thereof that it deducts in respect of the amount paid or payable to Unitholders in the year. The Fund may also be subject to “minimum tax” under the Tax Act.

It is the intention of the Manager that all annual net taxable income will be distributed to Unitholders on a calendar year basis such that Canadian income taxes payable by the Fund under present legislation will be eliminated. As a result thereof, and of the deduction of expenses in computing its taxable income, no provisions for income taxes are made in the financial statements.

The Fund did not have any net taxable capital losses at tax year ends December 31, 2015 and 2014. The Fund did not have any non-capital carry forward balances as at the tax year end December 31, 2015 and 2014.

12 BROKER COMMISSION CHARGES AND SOFT DOLLAR SERVICES

There were \$nil broker commissions paid during the six-month periods ended November 30, 2016 and 2015. No contractual arrangements for soft dollar services exist in the broker commission charges.

13 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/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.

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.

Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, the instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

Term loans and short-term investments: Term loans and Short-term investments are classified as Level 2 as they are valued using observable inputs, including interest rate curves, credit spreads and volatilities and are not actively traded.

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.

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.

The following tables illustrate the classification of the Fund's financial instruments within the fair value hierarchy as at November 30, 2016 and May 31, 2016.

Assets at fair value as at November 30, 2016	Level 1	Level 2	Level 3	Total
Term loans	–	116,863,465	–	116,863,465
Equities	–	1,575,828	–	1,575,828
Foreign currency forward contracts	–	113,936	–	113,936
Total	–	118,553,229	–	118,553,229

Assets at fair value as at May 31, 2016	Level 1	Level 2	Level 3	Total
Term loans	–	132,554,689	–	132,554,689
Equities	–	1,728,856	–	1,728,856
Foreign currency forward contracts	–	51,826	–	51,826
Total	–	134,335,371	–	134,335,371

Liabilities at fair value as at May 31, 2016	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	–	474,296	–	474,296
Total	–	474,296	–	474,296

There were no transfers among the three levels during the six-month period ended November 30, 2016 and the year ended May 31, 2016.

14 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.

Concentration risk

Concentration risk is the risk associated with exposure to any one or more particular country, asset class and industry type security. Manager reduces the portfolio concentration risk for the Funds due to diversification by asset class and security of the Trust.

The following comparative summary represents the securities by asset type held by the Fund as at November 30, 2016 and May 31, 2016:

Portfolio by Category	November 30, 2016	May 31, 2016
	As of % of the Trust's NAV	As of % of the Trust's NAV
Term loans	152.1%	133.2%
Equities	2.0%	1.8%
Short-term investments	0.2%	0.3%
Foreign currency forward contracts	0.2%	(0.4%)
Leverage	(53.2%)	(29.2%)
Cash	0.1%	0.1%
Net other assets (liabilities)	(1.4%)	(5.8%)
Total	100.0%	100.0%

Market risk

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 November 30, 2016, 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 \$158,000 (May 31, 2016 - \$173,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

b) Interest rate risk

Interest rate risk is the risk that interest-bearing credit facility and the fair value of investments will fluctuate due to changes in prevailing levels of market interest rates. As a result, the value of the Fund that invests in debt securities and short-term notes and will be affected by changes in applicable interest rates. If interest rates fall, the fair value of existing debt securities may increase due to the increase in yield. Alternatively, if interest rates rise, the yield of existing debt securities may decrease which could lead to a decrease in their fair value. The magnitude of the decline will generally be greater for long-term debt securities than for short-term debt securities. Other assets and liabilities are short-term in nature and non-interest bearing.

As at November 30, 2016 and May 31, 2016, interest rate risk was negligible as the Fund had minimal exposure to interest-bearing credit facility.

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 November 30, 2016 and May 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.

November 30, 2016

Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Non-Monetary Instruments	Monetary Instruments*	Total	Non-Monetary Instruments	Monetary Instruments*	Total
USD dollar	\$ 1,575,828	\$ 7,021,297	\$8,597,125	\$ 78,791	\$ 351,065	\$ 429,856
Euro	\$ -	\$ 32	\$ 32	\$ -	\$ 2	\$ 2
Total	\$ 1,575,828	\$ 7,021,329	\$8,597,157	\$ 78,791	\$ 351,067	\$ 429,858
% of Net Assets attributable to holders of redeemable units	2.1%	9.1%	11.2%	0.1%	0.5%	0.6%

May 31, 2016

Currency	Exposure			Impact on net assets attributable to holders of redeemable units		
	Non-Monetary Instruments	Monetary Instruments*	Total	Non-Monetary Instruments	Monetary Instruments*	Total
USD dollar	\$ 1,728,856	\$ 10,050,697	\$11,779,553	\$ 86,443	\$ 502,535	\$ 588,978
Euro	\$ -	\$ 980	\$ 980	\$ -	\$ 49	\$ 49
Total	\$ 1,728,856	\$ 10,051,677	\$11,780,533	\$ 86,443	\$ 502,584	\$ 589,027
% of Net Assets attributable to holders of redeemable units	1.7%	10.1%	11.8%	0.1%	0.5%	0.6%

*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 November 30, 2016 and May 31, 2016 was AA-.

The counterparty to the foreign currency forward contracts had S&P credit ratings of A+ as of November 30, 2016 and May 31, 2016.

As at November 30, 2016 and May 31, 2016, the Fund had exposure to debt securities held with the following credit ratings.

Rating	November 30, 2016 (% of NAV)	May 31, 2016 (% of NAV)
BBB	0.8%	1.2%
BBB-	3.6%	2.8%
BB+	4.5%	2.7%
BB	12.7%	9.7%
BB-	19.6%	12.3%
B+	28.2%	28.1%
B	47.3%	40.6%
B-	15.7%	14.1%
CCC+	13.3%	16.0%
CCC	2.9%	2.7%
CCC-	1.5%	0.4%
D	0.0%	0.3%
Not rated	2.0%	2.3%
Total	152.1%	133.2%

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. Unitholder redemption requests are the main liquidity risk for the Fund. The Fund invests the 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 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 November 30, 2016 and May 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 November 30, 2016:

Financial liabilities	On Demand	less than 3 months	Total
Leverage	\$ –	\$ 40,875,840	\$ 40,875,840
Payable on investment purchases	–	4,921,600	4,921,600
Other accounts payable and accrued expenses	–	237,803	237,803
Management fees payable	–	52,110	52,110
Total	\$ –	\$ 46,087,353	\$ 46,087,353

As at May 31, 2016:

Financial liabilities	On Demand	less than 3 months	Total
Leverage	\$ –	\$ 29,039,820	\$ 29,039,820
Payable on investment purchases	–	8,834,059	8,834,059
Other accounts payable and accrued expenses	–	226,365	226,365
Management fees payable	–	64,702	64,702
Unrealized loss on foreign currency forward contracts	–	474,296	474,296
Total	\$ –	\$ 38,639,242	\$ 38,639,242

15 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 November 30, 2016 and 2015.

	Net gains (losses)	
Net gains (losses) on financial instruments at FVTPL	November 30, 2016	November 30, 2015
Financial Assets and Liabilities at FVTPL:		
Held for Trading	\$ (2,442,847)	\$ (7,536,987)
Designated at inception	8,424,571	9,466,671
Total financial assets and liabilities at FVTPL	\$ 5,981,724	\$ 1,929,684

16 OFFSETTING OF FINANCIAL INSTRUMENTS

The Fund has entered into a master netting agreement 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 Statement of Financial Position and allows 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 November 30, 2016 and May 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 November 30, 2016

Financial Assets	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
Counterparty						
State Street Bank and Trust Company Canada	\$ 133,280	\$ (19,344)	\$ 113,936	\$ –	–	\$ 113,936
Net Amounts	\$ 133,280	\$ (19,344)	\$ 113,936	\$ –		\$ 113,936
Financial Liabilities						
Counterparty						
State Street Bank and Trust Company Canada	\$ (19,344)	\$ 19,344	\$ –	\$ –	–	\$ –
Net Amounts	\$ (19,344)	\$ 19,344	\$ –	\$ –		\$ –

As at May 31, 2016

Financial Assets	Gross Amounts	Financial Instrumen ts 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
Counterparty						
State Street Bank and Trust Company Canada	\$ 51,826	–	\$ 51,826	\$ (51,826)	–	\$ –
Net Amounts	\$ 51,826		\$ 51,826	\$ (51,826)		\$ –
Financial Liabilities						
Counterparty						
State Street Bank and Trust Company Canada	\$ (474,296)	–	\$ (474,296)	\$ 51,826	–	\$ (422,470)
Net Amounts	\$ (474,296)		\$ (474,296)	\$ 51,826		\$ (422,470)

17 SUBSEQUENT EVENT NOTE

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.

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

Kal Zakarneh
Director and Chief Financial Officer

Derek Slemko
Director and President

Manager

LOGiQ Asset Management Ltd.

Sub-Advisor

Voya Investment Management Co. LLC

Transfer Agent and Trustee

Computershare Trust Company of Canada

Custodian

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