



# **ISL Loan Trust**

## **Semi-Annual Financial Statements**

**November 30, 2016**

## MANAGEMENT REPORT OF FUND PERFORMANCE

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

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

### 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 May 27, 2011 between the Manager”) and Computershare Trust Company of Canada (the Trustee”). The Fund’s principal office is located at 77 King Street West, Suite 2110, P.O. Box 92, Toronto, Ontario, M5K 1G8. The fiscal year-end of the Fund is May 31.

Initially, 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 Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. On December 15, 2014, the Fund amended its Trust Agreement creating a new class of Units, designated as Class V Units (the “Class V Units”). All Class V Units are currently held by Voya Global Income Solutions Fund. The Class V was terminated on November 04, 2016.

The Fund’s investment objectives are to:

- (i) provide Unitholders 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 that exhibit the highest relative value within the asset class. 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. 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.

The Fund applied leverage in the range from 8.5% to 27.7% during the six-month period ended November 30, 2016 (14.7% to 32.7% during the six-month period ended November 30, 2015). The leverage factor as of November 30, 2016 was 14.3% (14.9% as of November 30, 2015).

For full disclosure of risks associated with an investment in the Fund’s Units, please refer to the Fund’s Prospectus dated May 27, 2011 and to the Fund’s most recent Annual Information Form. Both are available at [www.sedar.com](http://www.sedar.com).

## RECENT DEVELOPMENT

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.

## 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 I, the bottom-level trust, generated a total return of 4.72%, 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 and Iqor (Business Equipment & Services) and Fram Group Holdings Inc. (Automotive). An overweight to Healogics, Inc. and Onex Carestream Finance LP (Healthcare) and to Rue 21 Inc. (Retail) were detractors over the period, as were underweights to the volatile Utilities, Oil & Gas and Nonferrous Metals/Minerals sectors which rallied considerably over the period.

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.

## CAPITAL TRANSACTIONS

The Fund is authorized to issue an unlimited number of 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 June 17, 2011, the Fund completed an initial public offering pursuant to the Prospectus dated May 27, 2011. The Fund issued 24,500,000 Class A Units for \$231,403,550 at \$9.45 per Class A Unit and 6,000,000 Class U Units for U.S. \$56,700,000 at U.S. \$9.45 per Class U Unit.

During the period from June 17, 2011 (commencement of operations) to May 31, 2012, the Fund issued an additional 1,436,218 Class A Units for the amount of \$13,608,165 and 879,172 Class U Units for the amount of U.S. \$8,300,411.

During the period from December 15, 2014 to May 31, 2015, the Fund created and issued a new class of units, designated as Class V Units ("Class V Units"). On December 15, 2014, The Fund issued 1,264,681 units of Class V Units for \$12,646,810 at \$10.00 per Class V Unit. On March 6, 2015, the Fund issued another 48,887 units for \$500,000 at 10.2276 per Unit.

During the six-month period ended November 30, 2016, the Fund didn't have redemption for Class A Units and Class U Units. 1,248,354 Class V Units were fully redeemed for net payment of \$12,116,531 (During the six-month period ended November 30, 2015, the Fund didn't have redemption for Class A Units. The Fund redeemed 57,237 Class U Units for U.S. \$681,613 and 24,779 Class V Units for net payment of \$250,000).

## 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 Fund could employ is 1.67:1.

The Fund entered into a Credit Agreement dated August 5, 2011 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 8.5% to 27.7% or from U.S. \$11,600,000 to U.S. \$48,500,000 during the six-month period ended November 30, 2016 (The Fund applied leverage in the range from 14.7% to 32.7% or from U.S. \$29,800,000 to U.S. \$89,000,000 during the six-month period ended November 30, 2015). The amount of U.S. \$19,300,000 or the Canadian equivalent of \$26,000,000 was outstanding as of November 30, 2016 (The amount of U.S. \$30,500,000 or the Canadian equivalent of \$40,615,325 was outstanding as of November 30, 2015). The leverage factor was approximately 14.3% as of November 30, 2016 (The leverage factor was approximately 14.9% as of November 30, 2015). The related interest expense during the six-month period ended November 30, 2016 was \$350,733 (\$531,659 during the same period ended November 30, 2015).

## DISTRIBUTIONS

The Fund does not have a fixed distribution. 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 \$6,870,000 in distributions to its Class A Unitholders, U.S. \$2,930,000 in distributions to its Class U Unitholders and \$375,000 in distributions to its Class V Unitholders (During the six-month period ended November 30, 2015, the Fund paid \$5,762,000 in distributions to its Class A Unitholders, U.S. \$1,112,000 in distributions to its Class U Unitholders and \$525,000.00 in distributions to its Class V 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 the six-month period ended November 30, 2016.

## RELATED PARTY TRANSACTIONS

### *Management Fees*

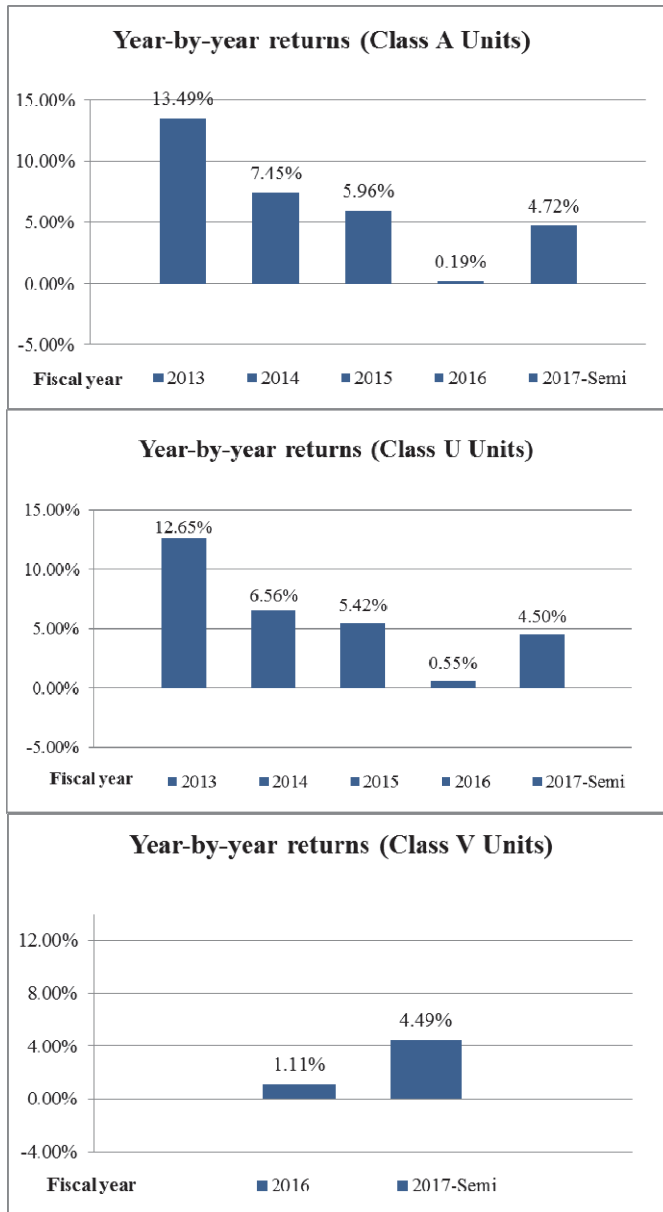
The Manager receives a management fee from the Fund Class A and Class U Units equal in the aggregate to 0.75% per annum of the applicable Net Asset Value, calculated daily and payable monthly in arrears, plus applicable taxes. The Manager is not entitled to any Management Fee in respect of the Class V Units and/or the portion of the Net Asset Value of the Trust attributable to the Class V Units.

The management fees charged to the Fund during the six-month period ended November 30, 2016 were \$583,110 plus applicable taxes (\$844,932 plus applicable taxes during the same period ended November 30, 2015).

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, Class U Units and Class V 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.



Note: The 2017-Semi return of Class V Units is calculated for the period from June 1, 2016 to November 4, 2016 (the termination date of Class V).

## 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 audited annual financial statements and unaudited semi-annual financial statements:

### Class A Units:

The Fund's Net Assets per Class A Unit:

	November 30, 2016 <sup>(1)</sup>	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013
	CAD	CAD	CAD	CAD	CAD
<b>Net Assets, beginning of period</b> <sup>(5)</sup>	<b>9.46</b>	<b>10.11</b>	<b>10.15</b>	<b>10.07</b>	<b>9.36</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	0.35	0.79	0.85	0.89	0.88
Total expenses	(0.07)	(0.15)	(0.16)	(0.17)	(0.16)
Realized gains (losses) for the period	0.57	(0.20)	(0.69)	0.03	0.32
Unrealized gains (losses) for the period	(0.44)	(0.52)	0.55	(0.03)	0.20
<b>Total increase (decrease) from operations</b> <sup>(2)</sup>	<b>0.41</b>	<b>(0.08)</b>	<b>0.55</b>	<b>0.72</b>	<b>1.24</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.56)	(0.65)	(0.61)	(1.09)	(0.60)
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total Distributions</b> <sup>(3)</sup>	<b>(0.56)</b>	<b>(0.65)</b>	<b>(0.61)</b>	<b>(1.09)</b>	<b>(0.60)</b>
<b>Net Assets, end of period</b> <sup>(4)(5)</sup>	<b>9.33</b>	<b>9.46</b>	<b>10.11</b>	<b>10.15</b>	<b>10.01</b>

<sup>(1)</sup> Results for the six-month period ended November 30, 2016.

<sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 12,889,576 Class A Units outstanding as of November 30, 2016 (May 31, 2016 – 15,389,492 units).

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

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

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

### Ratios and Supplemental Data (Class A Units):

	November 30, 2016 <sup>(1)</sup>	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013
	CAD	CAD	CAD	CAD	CAD
Net assets (000's)	120,298	121,891	178,747	228,478	243,842
Number of units outstanding	12,889,576	12,889,576	17,680,483	22,515,123	24,225,365
Base Management expense ratio <sup>(2)(3)</sup>	1.16%	1.12%	1.04%	0.99%	1.04%
Interest expenses ratio <sup>(2)(3)</sup>	0.42%	0.46%	0.53%	0.70%	0.63%
Management expense ratio (annualized) <sup>(3)</sup>	1.58%	1.58%	1.57%	1.69%	1.67%
Management expense ratio before waivers or absorptions (annualized) <sup>(3)</sup>				1.69%	1.67%
Portfolio turnover rate <sup>(4)</sup>	50.91%	62.95%	99.13%	190.02%	254.96%
Trading expense ratio <sup>(5)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> Results for the six-month period ended November 30, 2016.

<sup>(2)</sup> A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio: representing all Agents' fees and unit issue expenses.

<sup>(3)</sup> 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.

<sup>(4)</sup> The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.

<sup>(5)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

**Class U Units:**

The Fund's Net Assets per Class U Unit:

	November 30, 2016 <sup>(1)</sup>	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013
	USD	USD	USD	USD	USD
<b>Net Assets, beginning of period</b> <sup>(5)</sup>	<b>9.14</b>	<b>9.71</b>	<b>9.84</b>	<b>9.89</b>	<b>9.30</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	0.33	0.76	0.81	0.86	0.87
Total expenses	(0.07)	(0.15)	(0.15)	(0.17)	(0.16)
Realized gains (losses) for the period	0.84	0.90	0.26	0.57	0.45
Unrealized gains (losses) for the period	(0.49)	(0.95)	0.84	(0.15)	(0.04)
<b>Total increase (decrease) from operations</b> <sup>(2)</sup>	<b>0.61</b>	<b>0.56</b>	<b>1.76</b>	<b>1.11</b>	<b>1.12</b>
<b>Distributions:</b>					
From income (excluding dividends)	(1.00)	(0.60)	(0.62)	(1.10)	(0.62)
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total Distributions</b> <sup>(3)</sup>	<b>(1.00)</b>	<b>(0.60)</b>	<b>(0.62)</b>	<b>(1.10)</b>	<b>(0.62)</b>
<b>Net Assets, end of period</b> <sup>(4)(5)</sup>	<b>8.51</b>	<b>9.14</b>	<b>9.71</b>	<b>9.84</b>	<b>9.84</b>

<sup>(1)</sup> Results for the six-month period ended November 30, 2016.<sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 3,053,280 Class U Units outstanding as of November 30, 2016 (May 31, 2016 – 3,606,132 units).<sup>(3)</sup> The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.<sup>(4)</sup> This is not a reconciliation between the opening and the closing net assets per unit.<sup>(5)</sup> The Fund adopted International Financial Reporting Standards (“IFRS”) commencing June 1, 2014. The information for the period from May 31, 2013 to May 31, 2014 is restated under IFRS from Canadian GAAP.

Ratios and Supplemental Data (Class U Units):

	November 30, 2016 <sup>(1)</sup>	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013
	USD	USD	USD	USD	USD
Net assets (000's)	25,988	27,893	40,479	56,614	62,295
Number of units outstanding	3,053,280	3,053,280	4,167,297	5,755,131	6,296,808
Base Management expense ratio <sup>(2)(3)</sup>	1.16%	1.12%	1.04%	0.99%	1.04%
Interest expenses ratio <sup>(3)(4)</sup>	0.42%	0.46%	0.53%	0.69%	0.63%
Management expense ratio (annualized) <sup>(3)</sup>	1.58%	1.58%	1.57%	1.68%	1.67%
Management expense ratio before waivers or absorptions (annualized) <sup>(3)</sup>	1.58%	1.58%	1.57%	1.68%	1.67%
Portfolio turnover rate <sup>(4)</sup>	50.91%	62.95%	99.13%	190.02%	254.96%
Trading expense ratio <sup>(5)</sup>	0.00%	0.00%	0.00%	0.00%	0.00%

<sup>(1)</sup> Results for the six-month period ended November 30, 2016.<sup>(2)</sup> A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio: representing all Agents' fees and unit issue expenses.<sup>(3)</sup> 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.<sup>(4)</sup> The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.<sup>(5)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.



**Class V Units:**

The Fund's Net Assets per Class V Unit:

	November 30, 2016 <sup>(5)</sup>	May 31, 2016	May 31, 2015 <sup>(1)</sup>
	CAD	CAD	CAD
<b>Net Assets, beginning of period</b>	<b>9.58</b>	<b>10.28</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenues	0.33	0.80	0.43
Total expenses	(0.03)	(0.07)	(0.04)
Realized gains (losses) for the period	0.75	(0.06)	(0.83)
Unrealized gains (losses) for the period	(0.63)	(0.59)	1.01
<b>Total increase (decrease) from operations</b> <sup>(2)</sup>	<b>0.42</b>	<b>0.08</b>	<b>0.57</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.30)	(0.79)	(0.29)
From dividends	–	–	–
From capital gains	–	–	–
Return of capital	–	–	–
<b>Total Distributions</b> <sup>(2)</sup>	<b>(0.30)</b>	<b>(0.79)</b>	<b>(0.29)</b>
<b>Net Assets, end of period</b> <sup>(3)(4)</sup>	<b>–</b>	<b>9.58</b>	<b>10.28</b>

<sup>(1)</sup> Results for the period from December 15, 2014 (commencement of operations) to May 31, 2015.<sup>(2)</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase / decrease from operations is based on the weighted average number of 1,248,354 Class V Units outstanding as of November 30, 2016. (May 31, 2016 – 1,280,712)<sup>(3)</sup> The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.<sup>(4)</sup> This is not a reconciliation between the opening and the closing net assets per unit.<sup>(5)</sup> Results for the six-month period ended November 30, 2016.

Ratios and Supplemental Data (Class V Units):

	November 30, 2016 <sup>(6)</sup>	May 31, 2016	May 31, 2015 <sup>(1)</sup>
	CAD	CAD	CAD
Net assets (000's)	–	11,961	13,509
Number of units outstanding	–	1,248,354	1,313,568
Base Management expense ratio <sup>(2)(3)</sup>	0.30%	0.28%	0.10%
Interest expenses ratio <sup>(2)(3)</sup>	0.40%	0.47%	0.25%
Management expense ratio (annualized) <sup>(3)</sup>	0.70%	0.75%	0.35%
Management expense ratio before waivers or absorptions (annualized) <sup>(3)</sup>	0.70%	0.75%	0.35%
Portfolio turnover rate <sup>(4)</sup>	50.91%	62.95%	99.13%
Trading expense ratio <sup>(5)</sup>	0.00%	0.00%	0.00%

<sup>(1)</sup> Results for the period from December 15, 2014 (commencement of operations) to May 31, 2015.<sup>(2)</sup> A separate base management expense ratio has been presented to include the normal operating expenses and exclude the Issue expense ratio: representing all Agents' fees and unit issue expenses.<sup>(3)</sup> 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.<sup>(4)</sup> The Fund's turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund's buying and selling all of the securities (including fixed income) in its portfolio once in the course of the year. There is not necessarily a relationship between turnover rate and the performance of the Fund.<sup>(5)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.<sup>(6)</sup> 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](http://www.logiqasset.com).

	Tranche Description	Maturity	Fair value \$	% of NAV
<b>Portfolio by Category</b>				
Term loans			179,360,825	115.6%
Equities			2,076,119	1.3%
Foreign currency forward contracts			181,330	0.1%
Leverage			(25,950,780)	(16.7%)
Cash and cash equivalents			500,973	0.3%
Net other assets (liabilities)			(926,233)	(0.6%)
<b>Top 25 Holdings</b>				
Hawaiian Telcom Communications, Inc.	Term Loan B	Jun/06/2019	2,470,419	1.5%
USI, Inc.	Incremental Term Loan (August 2015)	Dec/27/2019	2,268,172	1.5%
PetSmart, Inc.	TPF II Power, LLC	Mar/11/2022	2,127,638	1.4%
Liberty Cablevision of Puerto Rico, LLC	1st Lien Term Facility	Jan/07/2022	1,920,685	1.2%
TI Group Automotive Systems, LLC	Upsized USD Term Loan B	Jun/30/2022	1,881,143	1.2%
Cotiviti Holdings, Inc.	New 1st Lien Term Loan B	Sep/22/2023	1,819,922	1.2%
Sedgwick Holdings, Inc.	2nd Lien Term Loan	Feb/28/2022	1,755,985	1.1%
First American Payment Systems, L.P.	2nd Lien Term Loan	Apr/12/2019	1,671,680	1.1%
American Airlines, Inc.	2013 AA Term Loan (SA)	Jun/26/2020	1,667,131	1.1%
BBB Industries US Holdings, Inc.	1st Lien Term Loan	Nov/03/2021	1,657,070	1.1%
Scientific Games International, Inc.	Term Loan B-2	Oct/01/2021	1,653,800	1.1%
Onex Carestream Finance LP	2nd Lien Term Loan	Nov/30/2019	1,476,414	1.0%
Cengage Learning Holdings II			1,402,911	0.9%
General Nutrition Centers, Inc.	Term Loan B	Mar/04/2019	1,378,041	0.9%
Formula One World Championship Ltd.	Facility B3	Jul/30/2021	1,352,443	0.9%
Petco Animal Supplies, Inc.	Term Loan B-2	Jan/23/2023	1,345,358	0.9%
SIG Combibloc Group AG	New USD Term Loan	Mar/10/2022	1,333,611	0.9%
Avantor Performance Materials, Inc.	Incremental 1L Term Loan	Jun/21/2022	1,311,791	0.8%
Global Tel*Link Corporation	2nd Lien Term Loan	Nov/23/2020	1,307,624	0.8%
Aspect Software, Inc.	Exit Term Loan	May/24/2020	1,284,172	0.8%
Fitness International, LLC.	Upsized Term Loan B	Jul/01/2020	1,278,559	0.8%
First Data Corporation	Term Loan July 2022 Add-On	Jul/08/2022	1,261,419	0.8%
Oberthur Technologies	Tranche B-2 Term Loans Repriced	Oct/15/2019	1,242,613	0.8%
24 Hour Fitness Worldwide, Inc	Term Loan B	May/28/2021	1,236,009	0.8%
Kronos Incorporated	1st Lien Term Loan	Oct/31/2023	1,213,695	0.8%
<b>Net asset value</b>			<b>\$ 155,242,234</b>	

## **ISL Loan Trust**

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

### **Notice to Reader:**

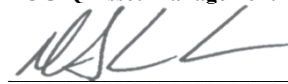
*These semi-annual financial statements and related notes for the six-month period ended November 30, 2016 have been prepared by Management of LOGIQ Asset Management Ltd. The auditors of the Fund have not audited or reviewed these semi-annual financial statements.*

## STATEMENTS OF FINANCIAL POSITION

As at	November 30, 2016		May 31, 2016
<b>Assets</b>			
<b>Current assets</b>			
Cash and short-term investments	\$	500,973	\$ 461,237
Financial assets at fair value through profit or loss		181,436,944	227,027,831
Receivable from investment sales		6,540,498	4,755,114
Interest receivable		1,092,134	1,431,642
Prepaid expenses and other amounts receivable		195,532	194,292
Unrealized appreciation on foreign currency forward contracts		192,612	173,084
<b>Total assets</b>		<b>189,958,693</b>	<b>234,043,200</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Leverage (note 10)		25,950,780	46,045,120
Payable on securities purchased		8,126,868	16,278,720
Other accounts payable and accrued expenses		514,062	484,076
Management fees payable		113,467	116,575
Unrealized depreciation on foreign currency forward contracts		11,282	780,078
<b>Total liabilities</b>		<b>34,716,459</b>	<b>63,704,569</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$</b>	<b>155,242,234</b>	<b>\$ 170,338,631</b>
<b>Net assets attributable to holders of redeemable units per class per unit</b>			
<b>Class A</b>	<b>\$</b>	<b>120,298,317</b>	<b>\$ 121,890,970</b>
<b>Class U</b>	<b>\$</b>	<b>34,943,917</b>	<b>\$ 36,486,246</b>
<b>Class U (USD)</b>	<b>\$</b>	<b>25,988,490</b>	<b>\$ 27,892,551</b>
<b>Class V</b>	<b>\$</b>	<b>-</b>	<b>\$ 11,961,415</b>
	<b>\$</b>	<b>155,242,234</b>	<b>\$ 170,338,631</b>
<b>Redeemable units outstanding per class (note 5)</b>			
<b>Class A</b>		<b>12,889,576</b>	<b>12,889,576</b>
<b>Class U</b>		<b>3,053,280</b>	<b>3,053,280</b>
<b>Class V</b>		<b>-</b>	<b>1,248,354</b>
<b>Net assets attributable to holders of redeemable units per class per unit</b>			
<b>Class A</b>	<b>\$</b>	<b>9.33</b>	<b>\$ 9.46</b>
<b>Class U</b>	<b>\$</b>	<b>11.44</b>	<b>\$ 11.95</b>
<b>Class U (USD)</b>	<b>\$</b>	<b>8.51</b>	<b>\$ 9.14</b>
<b>Class V</b>	<b>\$</b>	<b>-</b>	<b>\$ 9.58</b>

Approved on behalf of the Manager,

LOGIQ Asset Management Ltd.



Director

Derek Slemko



Chief Financial Officer

Kal Zakarneh

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

## STATEMENTS OF COMPREHENSIVE INCOME

For the six-month periods ended November 30	2016	2015
<b>Income</b>		
<b>Net Gains (Losses) on investments and derivatives at FVTPL (Note 3):</b>		
Interest income for distribution purposes	\$ 6,245,355	\$ 9,750,831
Dividend income	-	3,160
Realized gain (loss) on sales of investments	16,500,509	21,071,104
Realized gain (loss) on foreign currency forward contracts	(4,511,246)	(19,209,598)
Changes in unrealized appreciation (depreciation) in the value of investments	(8,417,259)	(13,287,577)
Changes unrealized appreciation (depreciation) on foreign currency forward contracts	788,324	7,204,288
<b>Net Gains (Losses) on investments and derivatives at FVTPL</b>	<b>10,605,683</b>	<b>5,532,208</b>
<b>Other income comprised of:</b>		
Realized foreign exchange gain (loss) on currency	(282,935)	(11,672,712)
Change in unrealized foreign exchange appreciation (depreciation) on currency	41,158	(119,262)
Change in unrealized foreign exchange appreciation (depreciation) on leverage	(830,925)	5,174,423
<b>Total other income (loss)</b>	<b>(1,072,702)</b>	<b>(6,617,551)</b>
<b>Total income (loss)</b>	<b>9,532,981</b>	<b>(1,085,343)</b>
<b>Expenses</b>		
Management fees (note 9)	583,110	844,932
Interest expense (note 10)	350,733	531,659
Custodial and other unitholder fees	178,527	196,942
Harmonized sales tax	75,804	109,841
Other expenses	66,870	91,589
Legal fees	10,991	4,339
Audit fees	5,529	5,528
Filing fees	1,504	1,505
<b>Total expenses</b>	<b>1,273,068</b>	<b>1,786,335</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 8,259,913</b>	<b>\$ (2,871,678)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class per unit</b>		
Class A	\$ 5,277,347	\$ (4,463,197)
Class U	\$ 2,452,450	\$ 1,866,688
Class U (USD) <sup>(1)</sup>	USD \$ 1,869,846	USD \$ 1,461,228
Class V	\$ 530,116	\$ (275,169)
<b>Weighted average number of units per class outstanding for the period</b>		
Class A	12,889,576	17,680,483
Class U	3,053,280	4,112,875
Class V	1,248,354	1,301,621
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class per unit<sup>(2)</sup></b>		
Class A	\$ 0.41	\$ (0.25)
Class U	\$ 0.80	\$ 0.45
Class U (USD) <sup>(1)</sup>	USD \$ 0.61	USD \$ 0.36
Class V	\$ 0.42	\$ (0.21)

(1) Based on average exchange rate for the year

(2) Based on weighted average number of units outstanding for the year

The accompanying notes are an integral part of these financial statements

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

For the six-month periods ended November 30	2016	2015
<b>Class A</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 5,277,347</b>	<b>\$ (4,463,197)</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Net investment income	<b>(6,870,000)</b>	<b>(5,762,000)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Proceeds from redeemable units issued	-	-
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units (note 5)	-	-
	-	-
<b>Change in net assets attributable to holders of redeemable units during the period</b>	<b>(1,592,653)</b>	<b>(10,225,197)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>121,890,970</b>	<b>178,746,785</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 120,298,317</b>	<b>\$ 168,521,588</b>
<b>Class U</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 2,452,450</b>	<b>\$ 1,866,688</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Net investment income	<b>(3,994,779)</b>	<b>(1,417,321)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Proceeds from redeemable units issued	-	-
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units (note 5)	-	<b>(681,613)</b>
	-	<b>(681,613)</b>
<b>Change in net assets attributable to holders of redeemable units during the period</b>	<b>(1,542,329)</b>	<b>(232,246)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>36,486,246</b>	<b>50,527,337</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 34,943,917</b>	<b>\$ 50,295,091</b>
<b>Class V</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 530,116</b>	<b>\$ (275,169)</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Net investment income	<b>(375,000)</b>	<b>(525,000)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Proceeds from redeemable units issued	-	-
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units (note 5)	<b>(12,116,531)</b>	<b>(250,000)</b>
	<b>(12,116,531)</b>	<b>(250,000)</b>
<b>Change in net assets attributable to holders of redeemable units during the period</b>	<b>(11,961,415)</b>	<b>(1,050,169)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>11,961,415</b>	<b>13,508,573</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ -</b>	<b>\$ 12,458,404</b>

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

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

<b>For the six-month periods ended November 30</b>	<b>2016</b>	<b>2015</b>
<b>Fund Total</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 8,259,913</b>	<b>\$ (2,871,678)</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Net investment income	<b>(11,239,779)</b>	<b>(7,704,321)</b>
<b>Redeemable unitholders' transactions (note 5)</b>		
Distributions reinvested	-	-
Payments on redemption/cancellation of redeemable units (note 5)	<b>(12,116,531)</b>	<b>(931,613)</b>
	<b>(12,116,531)</b>	<b>(931,613)</b>
<b>Change in net assets attributable to holders of redeemable units during the period</b>	<b>(15,096,397)</b>	<b>(11,507,612)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>170,338,631</b>	<b>242,782,695</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 155,242,234</b>	<b>\$ 231,275,083</b>

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

## STATEMENTS OF CASH FLOWS

<b>For the six-month periods ended November 30</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 8,259,913	\$ (2,871,678)
<b>Adjustments to reconcile to operating cash flows:</b>		
Net realized (gain) loss on sales of investments	(16,500,509)	(21,071,104)
Change in unrealized foreign exchange (appreciation) depreciation on currency	(41,158)	119,262
Change in unrealized (appreciation) depreciation on leverage	830,925	(5,174,423)
Change in unrealized (appreciation) depreciation on the value of investments	8,417,259	13,287,577
Change in unrealized (appreciation) depreciation in the value of foreign currency forward contracts	(788,324)	(7,204,288)
Purchases of investments	(92,589,584)	(88,262,101)
Proceeds from disposition of investments	136,326,485	173,426,256
(Increase) decrease in interest and dividends receivable	339,508	245,442
(Increase) decrease in prepaid expenses and other receivable	(1,240)	18,278
Increase (decrease) in other accounts payable and accrued expenses	29,986	4,605
Increase (decrease) in management fees payable	(3,108)	(13,549)
Net cash flow provided by (used in) operating activities	44,280,153	62,504,277
<b>Cash flows provided by (used in) financing activities</b>		
Proceeds from redeemable units issued	-	-
Distributions paid to holders of redeemable units, net of reinvested distributions	(11,239,779)	(7,704,321)
Amounts paid on redemption of redeemable units	(12,116,531)	(931,613)
Repayment of Leverage	(20,925,265)	(48,453,127)
Net cash flow provided by (used in) financing activities	(44,281,575)	(57,089,061)
<b>Changes in unrealized foreign exchange appreciation (depreciation) on currency</b>	<b>41,158</b>	<b>(119,262)</b>
<b>Net increase (decrease) in cash during the period</b>	<b>(1,422)</b>	<b>5,415,216</b>
<b>Cash (overdraft) and short-term investments - beginning of period</b>	<b>461,237</b>	<b>(4,341,128)</b>
<b>Cash (overdraft) and short-term investments - end of period</b>	<b>500,973</b>	<b>954,826</b>
<b>Supplementary information</b>		
Dividends received net of withholding tax	-	3,160
Interest received, net of withholding tax	6,584,863	11,459,042
Interest paid	358,470	536,236

The accompanying notes are an integral part of these financial statements



## SCHEDULE OF INVESTMENT PORTFOLIO

As at November 30, 2016

Units	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV	
<b>Short-term investments</b>						
USD 324,856	USD Eurodollar Time Deposit Overnight Sweep 0.01%		436,801	436,801	0.3%	
<b>Par Value</b>	<b>Term loans <sup>(1)</sup></b>					
USD 1,824,556	Hawaiian Telcom Communications, Inc.	Term Loan B	Jun/06/2019	2,346,749	2,470,419	1.5%
USD 1,684,769	USI, Inc.	Incremental Term Loan (August 2015)	Dec/27/2019	2,158,022	2,268,172	1.5%
USD 1,576,000	PetSmart, Inc.	TPF II Power, LLC	Mar/11/2022	2,089,264	2,127,638	1.4%
USD 1,447,670	Liberty Cablevision of Puerto Rico, LLC	1st Lien Term Facility	Jan/07/2022	1,851,531	1,920,685	1.2%
USD 1,389,482	TI Group Automotive Systems, LLC	Upsized USD Term loan B	Jun/30/2022	1,792,738	1,881,143	1.2%
USD 1,348,448	Cotiviti Holdings, Inc.	New 1st Lien Term LoanB	Sep/22/2023	1,794,320	1,819,922	1.2%
USD 1,325,000	Sedgwick Holdings, Inc.	2nd Lien Term Loan	Feb/28/2022	1,652,060	1,755,985	1.1%
USD 1,281,705	First American Payment Systems, L.P.	2nd Lien Term Loan	Apr/12/2019	1,589,842	1,671,680	1.1%
USD 1,234,375	American Airlines, Inc.	2013 AA Term Loan (SA)	Jun/26/2020	1,581,140	1,667,131	1.1%
USD 1,231,250	BBB Industries US Holdings, Inc.	1st Lien Term Loan	Nov/03/2021	1,583,144	1,657,070	1.1%
USD 1,218,251	Scientific Games International, Inc.	Term Loan B-2	Oct/01/2021	1,547,588	1,653,800	1.1%
USD 1,343,159	Onex Carestream Finance LP	2nd Lien Term Loan	Nov/30/2019	1,628,661	1,476,414	1.0%
USD 1,068,965	General Nutrition Centers, Inc.	Term Loan B	Mar/04/2019	1,370,602	1,378,041	0.9%
USD 1,000,000	Formula One World Championship Ltd.	Facility B3	Jul/30/2021	1,267,886	1,352,443	0.9%
USD 992,500	Petco Animal Supplies, Inc.	Term Loan B-2	Jan/23/2023	1,286,239	1,345,358	0.9%
USD 987,985	SIG Combibloc Group AG	New USD Term Loan	Mar/10/2022	1,270,848	1,333,611	0.9%
USD 967,137	Avantor Performance Materials, Inc.	Incremental 1L Term Loan	Jun/21/2022	1,243,292	1,311,791	0.8%
USD 1,000,000	Global Tel*Link Corporation	2nd Lien Term Loan	Nov/23/2020	1,041,174	1,307,624	0.8%
USD 961,275	Aspect Software, Inc.	Exit Term Loan	May/24/2020	1,229,445	1,284,172	0.8%
USD 949,342	Fitness International, LLC.	Upsized Term Loan B	Jul/01/2020	1,214,436	1,278,559	0.8%
USD 932,953	First Data Corporation	Term Loan July 2022 Add-On	Jul/08/2022	1,199,133	1,261,419	0.8%
USD 923,573	Oberthur Technologies	Tranche B-2 Term Loans Repriced	Oct/15/2019	1,184,193	1,242,613	0.8%
USD 945,233	24 Hour Fitness Worldwide, Inc	Term Loan B	May/28/2021	1,174,361	1,236,009	0.8%
USD 900,000	Kronos Incorporated	1st Lien Term Loan	Oct/31/2023	1,200,194	1,213,695	0.8%
USD 870,542	TransUnion LLC	Term Loan B Add-On	Apr/09/2021	1,116,191	1,177,429	0.8%
USD 861,339	SurveyMonkey.com, LLC	Term Loan B	Feb/07/2019	1,090,557	1,169,738	0.8%
USD 918,063	U.S. Renal Care, Inc.	1st Lien Term Loan	Dec/30/2022	1,175,898	1,160,361	0.7%
USD 844,402	Equinox Holdings, Inc.	2015 Old Upsized 1st Lien Term Loan	Jan/31/2020	1,083,868	1,143,662	0.7%
USD 847,832	Transdigm, Inc.	Term Loan D	May/25/2021	1,103,883	1,142,766	0.7%
USD 811,995	Golden Nugget, Inc.	Term Loan	Nov/21/2019	1,048,958	1,104,434	0.7%
USD 816,705	New Wave Communications	Term Loan B with Add On	Apr/30/2020	1,003,864	1,097,455	0.7%
USD 813,235	Waterpik, Inc.	1st Lien Term Loan	Jul/08/2020	1,046,638	1,095,298	0.7%
USD 848,588	Quality Distribution, Inc.	1st Lien Term Loan	Aug/18/2022	1,006,239	1,081,108	0.7%
USD 790,000	Novelis, Inc.	Term Loan B	Jun/02/2022	1,013,943	1,065,774	0.7%
USD 980,000	Onsite Rental Group Operations Pty Ltd.	Senior Secured Term Loan	Jul/30/2021	951,067	1,060,755	0.7%
USD 782,000	Rovi Corporation	Term Loan B	Jul/02/2021	993,874	1,056,735	0.7%
USD 780,555	Electrical Components International, Inc.	Upsized Term Loan B 2016	May/28/2021	1,004,580	1,052,159	0.7%
USD 774,822	Supervalu, Inc.	Term Loan	Mar/21/2019	1,002,031	1,046,954	0.7%
USD 766,124	LPL Holdings, Inc.	2022 Tranche B Term Loan	Nov/20/2022	987,853	1,040,431	0.7%
USD 850,725	Veritas Technologies Corporation	USD Term Loan B-1	Jan/29/2023	945,372	1,031,403	0.7%
USD 758,419	Warner Music Group	Term Loan C	Nov/01/2023	1,014,901	1,018,495	0.7%
USD 759,901	Gates Global, LLC	1st Lien Secured Term Loan	Jul/05/2021	942,183	1,016,300	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
<b>Term loans...continued</b>					
USD 1,155,000	SourceHOV, Inc.	2nd Lien Term Loan	822,118	1,015,930	0.7%
USD 743,529	Riverbed Technology, Inc.	1st Lien Term Loan	960,436	1,009,539	0.7%
USD 740,323	TaxAct, Inc.	Term Loan B	955,179	1,002,904	0.6%
USD 735,493	AmWINS Group, Inc.	Term Loan	949,539	995,478	0.6%
USD 735,978	Party City Holdings, Inc	TPF II Power, LLC	974,308	993,838	0.6%
USD 732,600	KinderCare Education, LLC	Incremental 1st Lien Term Loan	967,081	993,262	0.6%
USD 737,200	Husky Injection Molding Systems, Ltd	1st Lien Term B Loan	945,820	991,445	0.6%
USD 733,149	Portillo Restaurant Group	1st Lien Term Loan	932,965	980,041	0.6%
USD 722,495	Eastern Generation, LLC	Term Loan	929,712	976,932	0.6%
USD 712,313	Magic Newco 2 S.a.r.l.	Term Loan B add-on	920,757	961,966	0.6%
USD 698,250	Zekelman Industries, Inc.	Term Loan B	908,465	943,561	0.6%
USD 696,032	Twin River Management Group, Inc.	Term Loan B	900,410	942,786	0.6%
USD 696,474	Royal Adhesives & Sealants, LLC	1st Lien Term Loan	897,708	942,214	0.6%
USD 700,000	Lions Gate Entertainment Corp.	New Term Loan B	920,320	941,612	0.6%
USD 700,000	Aptean Holdings, Inc.	2nd Lien Term Loan	879,535	931,024	0.6%
USD 694,750	Horseshoe Baltimore	Funded Term Loan B	852,845	924,819	0.6%
USD 690,000	Jo-Ann Stores, Inc.	TPF II Power, LLC	896,134	924,295	0.6%
USD 674,719	Avago Technologies Ltd.	Term Loan B-3	884,827	916,512	0.6%
USD 673,313	Station Casinos LLC	Term Loan	864,610	911,219	0.6%
USD 672,781	Flint Group Holdings S.A.R.L.	USD Term Loan B2	855,605	904,245	0.6%
USD 667,113	OSG Bulk Ships, Inc.	1st Lien Term Loan	836,069	875,696	0.6%
USD 650,007	Tronox Pigments (Netherlands) B.V.	Term Loan	831,394	873,999	0.6%
USD 701,149	Seventy Seven Energy, Inc.	Term Loan	749,866	860,273	0.6%
USD 643,000	Cortes NP Acquisition Corporation	Term Loan B	820,958	857,733	0.6%
USD 628,290	Hyland Software, Inc.	1st Lien Term Loan	808,867	848,344	0.5%
USD 625,000	Kraton Polymers LLC	Term Loan Facility	795,040	846,561	0.5%
USD 625,000	Revlon Consumer Products Corporation	Term Loan B 2016	815,807	842,710	0.5%
USD 623,578	FMG Resources (August 2006) Pty Ltd.	Term Loan	737,808	840,035	0.5%
USD 610,000	Avast Software B.V.	Term Loan USD	792,100	828,306	0.5%
USD 615,000	Epicor Software Corporation	08/16 Incremental Term Loan B	780,195	826,412	0.5%
USD 600,000	ON Semiconductor Corporation	Term Loan B	794,245	812,139	0.5%
USD 598,300	Vizient, Inc.	Term Loan B-2	802,808	810,382	0.5%
USD 600,000	Serta Simmons Bedding, LLC	1st Lien Term Loan	798,159	804,888	0.5%
USD 590,000	Dell Software Group	Term Loan B	766,711	793,810	0.5%
USD 600,000	Eze Castle Software, Inc.	2nd Lien Term Loan	748,103	791,970	0.5%
USD 597,494	Kinetic Concepts, Inc.	Dollar Term F	772,948	790,536	0.5%
USD 574,492	Harbor Freight Tools USA, Inc.	TPF II Power, LLC	739,961	779,428	0.5%
USD 1,050,000	Healogics, Inc.	2nd Lien Term Loan	1,211,329	776,507	0.5%
USD 585,255	BMC Software, Inc.	U.S. Term Loan	679,879	771,031	0.5%
USD 627,624	Avaya, Inc.	Term B-6 Loan	638,844	743,515	0.5%
USD 618,502	Harvey Gulf International Marine, LLC	Upsized Term Loan A	594,028	742,237	0.5%
USD 550,000	RedPrairie Corporation	Term Loan B	724,231	741,302	0.5%
USD 572,125	Fullbeauty Brands, Inc.	1st Lien Term Loan	704,614	717,353	0.5%
USD 527,450	Compuware Corporation	Term Loan B-2	639,424	711,426	0.5%
USD 525,000	Visteon Corporation	Term Loan B	676,522	709,003	0.5%
USD 523,364	Nexstar Broadcasting, Inc.	New Term Loan B - Nexstar	690,888	707,611	0.5%
USD 522,590	TricorBraun, Inc.	Incremental Term Loan	682,009	703,114	0.5%
USD 531,900	Research Now Group, Inc.	1st Lien Term Loan	675,158	700,889	0.5%
USD 518,438	Tekni-Plex, Inc.	1st Lien USD Term Loan	663,901	697,178	0.4%
USD 498,000	Western Digital Corporation	USD Term Loan B-1	645,682	678,280	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	
<b>Term loans...continued</b>						
USD 497,500	Solera Holdings, Inc.	USD Term Loan B	Mar/03/2023	642,627	676,418	0.4%
USD 497,487	Navistar, Inc.	Term Loan B	Aug/07/2020	614,424	675,297	0.4%
USD 497,750	SolarWinds Holdings, Inc.	Term Loan	Feb/05/2023	640,910	674,817	0.4%
USD 497,462	Midas Intermediate Holdco II, LLC	2016 Upsized Term Loan B	Aug/18/2021	634,475	674,322	0.4%
USD 492,516	Sivantos, Inc.	Term Loan B USD	Jan/17/2022	631,893	668,031	0.4%
USD 496,183	Sedgwick Holdings, Inc.	1st Lien Term Loan	Feb/28/2021	628,758	664,583	0.4%
USD 500,000	Compuware Corporation	2nd Lien Term Loan	Dec/15/2022	545,090	664,316	0.4%
USD 489,742	Air Medical Group Holdings, Inc.	Term Loan B	Apr/28/2022	623,141	653,569	0.4%
USD 486,432	Advantage Sales & Marketing, Inc.	Upsized 1st Lien Term Loan	Jul/23/2021	620,101	649,560	0.4%
USD 594,165	iQor US, Inc.	2nd Lien Term Loan	Apr/01/2022	555,621	643,126	0.4%
USD 500,000	Atrium Innovations, Inc.	USD 2nd Lien Term Loan	Aug/13/2021	594,498	640,366	0.4%
USD 488,750	Encompass Digital Media, Inc.	1st Lien Term Loan	Jun/05/2021	615,674	639,101	0.4%
USD 475,269	Infor (US), Inc.	Term Loan B-3	Jun/03/2020	598,502	638,548	0.4%
USD 472,523	RBS Global, Inc.	1st Lien Term Loan	Aug/21/2020	605,435	637,340	0.4%
USD 465,948	Multiplan, Inc.	1st lien term loan	Jun/07/2023	602,192	634,177	0.4%
USD 473,994	U.S. Telepacific Corp.	Term Loan B	Nov/25/2020	583,092	629,963	0.4%
USD 465,000	Quikrete Holdings, Inc.	Term Loan B	Nov/15/2023	620,864	628,678	0.4%
USD 460,331	Amaya Gaming Group Inc.	Incremental 1st Lien Term Loan	Aug/01/2021	577,379	619,890	0.4%
USD 467,257	Salem Communications Corporation	Term Loan B	Mar/13/2020	588,975	614,923	0.4%
USD 452,908	Omnova Solutions, Inc.	Term Loan B	Aug/24/2023	578,466	614,308	0.4%
USD 473,813	Cengage Learning Acquisitions, Inc.	TPF II Power, LLC	May/31/2023	606,628	614,221	0.4%
USD 450,000	AmWINS Group, Inc.	2nd Lien Term Loan	Sep/06/2020	584,214	612,381	0.4%
USD 496,173	Neiman Marcus Group, Inc.	Term Loan	Oct/25/2020	576,694	607,861	0.4%
USD 448,875	West Corp.	Term Loan B-12	Jun/30/2023	572,513	607,556	0.4%
USD 447,875	US Foods, Inc.	Term Loan B	Jun/30/2023	576,594	606,676	0.4%
USD 462,606	Vince, LLC	Term Loan	Nov/27/2019	555,983	603,360	0.4%
USD 459,557	Ascena Retail Group, Inc.	Term Loan B	Aug/21/2022	567,825	601,700	0.4%
USD 443,250	Dynacast International, LLC	Upsized 1st Lien Term Loan	Jan/15/2022	571,178	598,601	0.4%
USD 438,750	Accuvant, Inc.	Incremental 1st Lien Term Loan	Jan/28/2022	563,617	594,184	0.4%
USD 437,800	CHG Healthcare Services, Inc.	1st lien term loan	May/26/2023	565,210	593,028	0.4%
USD 472,363	Aricent Group	Aug 2015 Upsized 1st Lien Term Loan	Apr/14/2021	560,625	592,267	0.4%
USD 438,900	Transdigm, Inc.	New Term Loan F	Jun/15/2023	579,388	591,768	0.4%
USD 571,609	Lands' End, Inc.	Term Loan B	Apr/04/2021	587,185	586,047	0.4%
USD 432,818	Emerald Performance Materials, LLC	1st Lien Term Loan	Aug/01/2021	557,040	585,847	0.4%
USD 435,600	Sterigenics International, LLC	Term Loan B	May/08/2022	558,520	584,961	0.4%
USD 431,250	Filtration Group Corporation	New Upsized 1st Lien Term Loan	Nov/30/2020	554,675	581,429	0.4%
USD 430,496	Aptean Holdings, Inc.	1st Lien Term Loan	Feb/27/2020	551,515	579,206	0.4%
USD 498,497	Avaya, Inc.	Term B-7 Loan	May/29/2020	484,357	579,163	0.4%
USD 433,913	McGraw Hill Global Education Holdings, LLC	Term Loan B	May/04/2022	559,059	578,698	0.4%
USD 424,358	Keurig Green Mountain, Inc.	USD Term Loan B	Mar/03/2023	547,169	578,076	0.4%
USD 440,934	Securus Technologies, Inc.	Upsized 2nd Lien Term Loan	Apr/30/2021	519,900	575,019	0.4%
USD 421,818	AssuredPartners, Inc.	Incremental 1st Lien Term Loan	Oct/21/2022	542,882	570,544	0.4%
USD 567,635	Harvey Gulf International Marine, LLC	Upsized Term Loan B	Jun/18/2020	447,815	561,619	0.4%
USD 415,000	NXP Semiconductors N.V.	Tranche F Loan	Dec/07/2020	546,472	560,537	0.4%
USD 411,785	Berlin Packaging, LLC	Upsized 1L Term Loan	Oct/01/2021	529,915	556,570	0.4%
USD 462,025	Onex Carestream Finance LP	1st Lien Term Loan	Jun/07/2019	585,226	556,009	0.4%
USD 410,000	Leslies Poolmart, Inc.	TPF II Power, LLC	Aug/16/2023	532,395	555,306	0.4%
USD 402,825	Varsity Brands, Inc.	Oct 2016 Add On	Dec/10/2021	519,021	546,378	0.4%
USD 405,714	Acrisure, LLC	Term Loan	Nov/15/2023	539,305	545,523	0.4%
USD 403,885	Albertsons, LLC	Term Loan B-4	Aug/15/2021	519,829	545,168	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
<b>Term loans...continued</b>					
USD 400,000	Rackspace Hosting, Inc.	Nov/15/2023	533,420	542,594	0.3%
USD 396,500	Calpine Corp	May/31/2023	507,007	536,910	0.3%
USD 396,000	Hostess Brands, LLC	Aug/03/2022	510,673	535,789	0.3%
USD 397,988	Surgery Center Holdings, Inc.	Nov/03/2020	525,054	535,470	0.3%
USD 398,000	NorthStar Asset Management, Inc.	Jan/31/2023	512,868	535,151	0.3%
USD 397,980	Bass Pro Group, LLC	Jun/05/2020	505,488	533,197	0.3%
USD 400,000	Patterson Medical Holdings, Inc.	Aug/28/2022	513,657	533,134	0.3%
USD 395,000	Blackboard, Inc.	Jun/30/2021	517,516	528,628	0.3%
USD 388,053	Asurion, LLC	Aug/04/2022	497,141	525,820	0.3%
USD 380,924	INEOS Styrolution Group GmbH	Sep/30/2021	503,132	516,031	0.3%
USD 379,049	Communications Sales & Leasing, Inc.	Oct/24/2022	484,109	513,046	0.3%
USD 380,000	LegalShield	Jul/01/2020	485,195	509,671	0.3%
USD 418,606	Syniverse Holdings, Inc.	Apr/23/2019	426,322	508,859	0.3%
USD 384,774	CareCore National, LLC	Mar/05/2021	461,822	508,313	0.3%
USD 373,125	KAR Auction Services, Inc.	Mar/09/2023	482,912	508,053	0.3%
USD 377,300	Solenis International, L.P.	Jul/31/2021	482,297	506,754	0.3%
USD 375,000	Wideopenwest Finance, LLC	Aug/15/2023	480,081	505,030	0.3%
USD 369,375	Waste Industries USA, Inc.	Feb/27/2020	487,747	498,369	0.3%
USD 368,150	Windstream Corporation	Mar/29/2021	485,807	497,645	0.3%
USD 364,940	XPO Logistics, Inc.	Oct/31/2021	473,061	496,464	0.3%
USD 367,225	Acadia Healthcare Company, Inc. M/A-COM Technology Solutions Holdings, Inc.	Feb/16/2023	473,899	495,314	0.3%
USD 359,082	Upsized Term Loan B	May/07/2021	460,415	488,253	0.3%
USD 406,325	Belk, Inc.	Dec/12/2022	430,367	487,612	0.3%
USD 386,341	SunSource, Inc.	Feb/12/2021	446,943	479,215	0.3%
USD 350,000	ESH Hospitality, Inc.	Aug/25/2023	450,810	474,679	0.3%
USD 350,000	Dynegey, Inc.	Jun/30/2023	454,036	473,699	0.3%
USD 347,998	Golden Nugget, Inc.	Nov/21/2019	449,553	473,329	0.3%
USD 349,505	CBS Radio, Inc.	Oct/10/2023	459,509	473,322	0.3%
USD 349,125	Alliant Holdings, I, LLC	Aug/14/2022	450,361	472,808	0.3%
USD 348,250	Charter Communications Operating, LLC	Jan/24/2023	449,120	472,712	0.3%
USD 350,000	inVentiv Health, Inc.	Oct/10/2023	460,874	469,912	0.3%
USD 345,921	Kleopatra Holdings 2 S.C.A.	Apr/28/2020	458,796	469,195	0.3%
USD 367,859	4L Holdings, Inc.	May/08/2020	420,833	468,656	0.3%
USD 346,500	Schumacher Group	Jul/31/2022	447,061	465,516	0.3%
USD 345,000	Envision Healthcare Corporation	Nov/17/2023	459,299	465,337	0.3%
USD 345,000	BroadStreet Partners, Inc.	Nov/08/2023	458,599	465,047	0.3%
USD 345,000	Forterra Finance, LLC	Oct/31/2023	460,107	464,853	0.3%
USD 356,312	Bronco Midstream Funding, LLC	Aug/15/2020	414,493	462,328	0.3%
USD 340,154	Advance Pierre Foods	May/30/2023	435,963	460,587	0.3%
USD 340,000	Applied Systems, Inc.	Jan/25/2021	453,427	459,212	0.3%
USD 338,672	Lighttower Fiber Networks I, LLC	Apr/13/2020	435,709	456,514	0.3%
USD 337,261	Orion Engineered Carbons S.A.	Jul/25/2021	435,141	456,174	0.3%
USD 500,000	Jason Incorporated	Jun/30/2022	520,587	453,803	0.3%
USD 330,154	Manitowoc Foodservice, Inc.	Mar/03/2023	430,348	451,320	0.3%
USD 332,857	NEP/NCP Holdco, Inc.	Jul/22/2020	407,531	449,798	0.3%
USD 323,354	Hilex Poly Co, LLC	Dec/09/2021	417,458	437,717	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
<b>Term loans...continued</b>					
USD 357,823	Fram Group Holdings, Inc.	2nd Lien Term Loan	374,855	436,423	0.3%
USD 1,250,000	rue21, inc.	9.00% Senior Unsecured Notes	618,599	428,591	0.3%
USD 315,000	Greeneden U.S. Holdings II, LLC	USD Term Loan	417,242	425,755	0.3%
USD 316,800	Peacock Engineering Company, LLC	1st Lien Term Loan Facility	405,009	423,839	0.3%
USD 310,459	EFS Cogen Holdings I LLP	Term Loan	396,656	422,574	0.3%
USD 310,000	ExamWorks Group, Inc.	1st Lien Term Loan	404,177	419,366	0.3%
USD 310,000	Smart & Final Stores, Inc.	Extended Term Loan-B	406,938	416,109	0.3%
USD 303,475	Select Medical Corporation	Series F Tranche B	392,037	412,133	0.3%
USD 350,000	Encompass Digital Media, Inc.	2nd Lien Term Loan	417,273	411,784	0.3%
USD 329,677	Skillsoft Corp.	1st Lien Term Loan	340,073	411,035	0.3%
USD 302,268	Hunter Fan Company	1st Lien Term Loan	386,593	405,922	0.3%
USD 300,000	Advanced Disposal Services, Inc.	Term Loan B	403,180	404,263	0.3%
USD 312,900	Fairmount Santrol, Inc.	Tranche B-2 Term Loans	338,964	403,897	0.3%
USD 297,750	Linxens France SA	Term Loan B-1 USD	381,293	401,356	0.3%
USD 290,000	Landry's Restaurants	Term Loan	381,867	392,981	0.3%
USD 283,664	Learfield Communications, Inc	Term Loan with Add-On	365,420	383,084	0.2%
USD 297,335	Jason Incorporated	1st Lien Term Loan	373,596	377,808	0.2%
USD 274,309	PolyOne Corporation	Incremental Term Loan B	359,317	372,140	0.2%
USD 270,000	Proampac Intermediate, Inc.	Term Loan B	359,452	365,538	0.2%
USD 270,000	ProAmpac Intermediate Inc.	1st Lien Term Loan	353,611	365,538	0.2%
USD 260,000	UFC Holdings, LLC	1st Lien Term Loan	339,376	352,619	0.2%
USD 259,350	ADT Corporation	Upsized ADT 1st Lien Term Loan B-1	337,484	351,773	0.2%
USD 279,224	Academy Ltd.	Term Loan	347,249	347,638	0.2%
USD 249,375	Blount International, Inc.	Term Loan B USD	324,954	340,339	0.2%
USD 249,500	Precyse Acquisition Corp.	1st Lien Term Loan	322,746	338,623	0.2%
USD 250,000	Emerald Performance Materials, LLC	2nd Lien Term Loan	310,504	336,780	0.2%
USD 248,750	Huntsman International, LLC	2016 Term Loan B	321,941	336,348	0.2%
USD 247,500	Cirque Du Soleil	1st Lien Term Loan	312,818	335,076	0.2%
USD 248,741	Life Time Fitness, Inc.	Upsized Term Loan B	314,199	335,031	0.2%
USD 250,000	BioClinica, Inc.	1st Lien Term Loan	329,656	334,889	0.2%
USD 247,500	Vistra Group Ltd.	USD 1st Lien Term Loan	313,364	333,828	0.2%
USD 246,875	Zep, Inc.	Term Loan	319,217	333,400	0.2%
USD 246,250	Surgical Care Affiliates, LLC	Upsized Term Loan B	330,618	332,763	0.2%
USD 246,843	Vouvray US Finance, LLC	Term Loan B	316,499	332,735	0.2%
USD 250,000	Document Technologies, Inc.	Term Loan B	326,527	332,578	0.2%
USD 244,375	Hillman Group, Inc.	Term Loan B	312,156	329,922	0.2%
USD 274,262	SourceHOV, LLC	1st Lien Term Loan	264,403	328,496	0.2%
USD 243,750	Atrium Innovations, Inc.	USD 1st Lien Term Loan	306,854	325,083	0.2%
USD 247,436	Gardner Denver, Inc.	Term Loan B USD	300,389	323,605	0.2%
USD 233,491	Medpace Holdings, Inc.	Term loan B	301,254	314,736	0.2%
USD 226,266	Dollar Tree, Inc.	Term Loan-B3	296,093	307,660	0.2%
USD 225,779	NAPA Management Services Corporation	Upsized 1st Lien Term Loan	291,124	305,797	0.2%
USD 220,000	Vertafore, Inc.	Term Loan B	282,501	297,152	0.2%
USD 245,679	Veritas Technologies Corporation	Term Loan B-2	280,197	296,067	0.2%
USD 215,000	Telesat Canada	Term Loan B	287,773	290,294	0.2%
USD 214,589	Milacron LLC	Term Loan	276,522	290,152	0.2%
USD 250,000	FullBeauty Brands, Inc.	2nd Lien Term Loan	279,039	285,728	0.2%
USD 210,969	American Casino and Entertainment Properties, LLC	Term Loan	272,536	285,265	0.2%
USD 210,083	Wash Multi-Family Laundry Systems, LLC	USD 1st Lien Term Loan	268,015	278,946	0.2%
USD 263,958	iHeartCommunications, Inc.	Term Loan E	260,123	275,061	0.2%

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

As at November 30, 2016

Par Value	Tranche Description	Maturity date	Average Cost (CAD) \$	Fair Value (CAD) \$	% of NAV
<b>Term loans...continued</b>					
USD 200,000	Virtu Financial, LLC	Term Loan B	265,973	270,937	0.2%
USD 199,000	Evoqua Water Technologies, LLC	Incremental Term Loan	255,635	269,081	0.2%
USD 449,752	rue21, Inc.	Term Loan B	349,757	266,084	0.2%
USD 200,000	OmniTracs Inc. Thomson Reuters Intellectual Property & Science	Upsized 2nd Lien Term Loan	234,800	257,267	0.2%
USD 185,000	Cavium, Inc.	1st Lien Term Loan	242,390	249,839	0.2%
USD 185,000	Global Brass and Copper, Inc.	Term Loan B	237,088	248,900	0.2%
USD 180,000	FTS International, Inc.	Term Loan B	232,293	243,383	0.2%
USD 300,000	FTS International, Inc.	Term Loan	178,659	241,020	0.2%
USD 200,000	Accudyne Industries, LLC	Term Loan	237,156	240,907	0.2%
USD 175,000	Ventia Pty Ltd.	Upsized Term Loan B	223,770	237,952	0.2%
USD 175,000	Dayton Power and Light Company	Term Loan	223,611	237,511	0.2%
USD 174,563	NBTY, Inc.	USD Term Loan B	225,540	235,230	0.2%
USD 170,000	Telenet Group Holding NV	Term Loan AF	227,464	228,439	0.1%
USD 160,000	WireCo WorldGroup, Inc.	1st Lien Term Loan	209,524	217,422	0.1%
USD 200,000	Del Monte Foods, Inc.	2nd Lien Term Loan	185,098	213,791	0.1%
USD 154,613	ATI Holdings, Inc.	1st Lien Term Loan	199,112	209,364	0.1%
USD 155,000	Winnebago Industries, Inc.	Term Loan B	205,915	208,413	0.1%
USD 150,000	Press Ganey Holdings, Inc.	2nd Lien Term Loan	195,916	205,220	0.1%
USD 150,000	Outerwall, Inc.	1st Lien Term Loan	197,517	204,127	0.1%
USD 150,000	Casella Waste Systems, Inc.	Term Loan B	197,212	203,707	0.1%
USD 150,000	Versum Materials, Inc.	Term Loan B	196,906	203,329	0.1%
USD 150,000	Entercom Communications Corporation	New Term Loan B	200,902	203,203	0.1%
USD 150,000	Hyland Software, Inc.	2nd Lien Term Loan	187,668	203,119	0.1%
USD 150,000	Press Ganey Holdings, Inc.	1st Lien Term Loan	197,294	202,194	0.1%
USD 147,829	Kleopatra Holdings 2 S.C.A	Initial German Borrower Dollar Term L	196,067	200,759	0.1%
USD 150,000	Royal Adhesives & Sealants, LLC	2nd Lien Term Loan	185,740	200,682	0.1%
USD 142,581	Allnex S.a.r.l.	Term B-2 Facility	183,088	193,691	0.1%
USD 129,758	Global Payments, Inc.	Term Loan B	175,239	176,290	0.1%
USD 120,803	MKS Instruments, Inc.	Term Loan B	154,850	163,650	0.1%
USD 111,219	Flint Group S.A.	USD Term Loan C	141,710	149,545	0.1%
USD 107,419	Allnex S.a.r.l.	Term B-3 Facility	137,937	145,925	0.1%
USD 125,000	CSM Bakery Products NA, Inc.	1st Lien Term Loan	143,843	143,872	0.1%
USD 99,221	Microsemi Corporation	Term Loan B	128,906	134,510	0.1%
USD 92,965	Men's Wearhouse, Inc.	Term Loan	114,269	123,750	0.1%
USD 92,225	Otter Products, LLC	Term LoanB	101,949	119,975	0.1%
USD 83,140	Aruba Investments, Inc.	US Term Loan	107,002	111,673	0.1%
USD 250,000	WIS International	2nd Lien Term Loan	144,608	89,080	0.1%
USD 76,065	Weight Watchers International, Inc.	Term Loan B-2	78,762	78,242	0.1%
USD 46,636	Nexstar Broadcasting, Inc.	New Term Loan B - Mission	61,564	63,054	0.0%
USD 36,792	Wash Multi-Family Laundry Systems, LLC	CAD 1st Lien Term Loan	46,937	48,852	0.0%
USD 64	Eze Castle Software, Inc.	Term Loan B-1	82	86	0.0%
<b>Term loans in USD</b>			170,278,137	178,408,412	115.0%
EUR 657,697	CeramTec Service GmbH	Euro Term B-2 Loan	956,734	952,413	0.6%
<b>Term loans in EUR</b>			956,734	952,413	0.6%
<b>Total term loans</b>			171,234,871	179,360,825	115.6%
<b>Shares</b>	<b>Common Stock</b>		<b>Average Cost</b>	<b>Fair Value</b>	<b>% of NAV</b>
	<b>Information Technology</b>		<b>\$</b>	<b>\$</b>	<b>NAV</b>
USD 55,401	Cengage Learning Holdings		1,499,136	1,402,911	0.9%
USD 47,889	Everyware Global, Inc.		430,896	507,083	0.3%
USD 36,924	Longview Power LLC		237,311	129,904	0.1%
USD 9,906	Millennium Health, LLC		46,158	21,644	0.0%

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

As at November 30, 2016

Shares	Common Stock	Average Cost	Fair Value	% of	
	<b>Information Technology...continued</b>	<b>\$</b>	<b>\$</b>	<b>NAV</b>	
USD 30	Southcross Holdings LP	13,882	14,320	0.0%	
USD 73	Longview Power LLC	469	257	0.0%	
	<b>Total Common Stock</b>	<b>2,227,851</b>	<b>2,076,119</b>	<b>1.3%</b>	
<b>Total investments</b>		<b>173,899,523</b>	<b>181,873,745</b>	<b>117.2%</b>	
		<b>Maturity</b>	<b>Contract</b>	<b>Unrealized</b>	
		<b>date</b>	<b>price / rate</b>	<b>gain (loss)</b>	
				<b>% of</b>	
				<b>NAV</b>	
<b>Foreign currency forward contracts <sup>(3)</sup></b>					
	Bought CAD 970,428, Sold EUR 671,500	Dec/22/2016	1.44516	11,813	
	Bought USD 1,750,000, Sold CAD 2,363,830	Dec/22/2016	0.74032	(11,282)	
	Bought CAD 60,429,932, Sold USD 44,875,000	Dec/22/2016	1.34663	103,884	
	Bought CAD 34,921,422, Sold USD 25,932,494	Dec/22/2016	1.34663	60,033	
	Bought CAD 60,651,661, Sold USD 45,060,000	Dec/22/2016	1.34602	76,915	
	Bought USD 25,932,494 Sold CAD 34,921,422 <sup>(2)</sup>	Dec/22/2016	0.74260	(60,033)	
<b>Total foreign currency forward contracts</b>				<b>181,330</b>	<b>0.1%</b>
<b>Leverage</b>			<b>(25,950,780)</b>	<b>(16.7%)</b>	
<b>Cash</b>			<b>64,172</b>	<b>0.0%</b>	
<b>Net other assets (liabilities)</b>			<b>(926,233)</b>	<b>-0.6%</b>	
<b>Net asset of the Fund</b>			<b>\$ 155,242,234</b>	<b>100.0%</b>	

(1) The investments held in the portfolio of ISL Loan Trust 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 of ISL Loan Trust.

(3) The foreign currency forward contracts above were held with State Street Bank and Trust Company and Bank of Nova Scotia and their counterparty credit ratings were 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 (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 May 27, 2011 between the Manager and Computershare Trust Company of Canada (the “Trustee”). The Fund’s principal office is located at 77 King Street West, Suite 2110, Toronto, Ontario, M5K 1G8. The Fund commenced operations on June 17, 2011 and the fiscal year-end of the Fund is May 31.

Initially, 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 Fund is authorized to issue an unlimited number of Units of each class. The Class U Units are designed for investors wishing to make their investment in U.S. dollars. On December 15, 2014, the Fund amended its Trust Agreement creating a new class of Units, designated as Class V Units (the “Class V Units”). All Class V Units were currently held by Voya Global Income Solution Fund and terminated on November 4, 2016.

The Fund’s investment objectives are to:

- (i) provide the Unitholders 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 (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 that exhibit the highest relative value within the asset class. 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. 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 loans.

These financial statements were authorized for issue 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. The fair values of the Funds’ financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.



**b) Fair Value Measurement**

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

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

Refer to note 14 for further information about the Fund's fair value measurements.

The Fund's net asset value per unit did not differ from its net assets attributable to holders of redeemable units per unit as at November 30, 2016 and May 31, 2016.

**c) Cash and Cash Equivalent**

Cash consists of cash in hand, deposits held with Canadian financial institutions and overdrafts.

**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 "Realized foreign exchange gain (loss) on currency" 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 derivative contracts - foreign currency forward contracts. This is reflected in the Fund and is recorded in the Statements of Comprehensive Income as "Realized gain (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 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 are not entitled to a pro rata share of the entity's Net Assets attributable to holders of redeemable units upon liquidation due to the differing series, nor do each series have identical features. Accordingly, all of the criteria in IAS 32.16 are not met. As such, in accordance with the standard, Net Assets attributable to holders of redeemable units are presented as liability on the Statements of Financial Position.

#### 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 an unlimited number of 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 June 17, 2011, the Fund completed an initial public offering pursuant to the Prospectus dated May 27, 2011. The Fund issued 24,500,000 Class A Units for \$231,403,550 at \$9.45 per Class A Unit and 6,000,000 Class U Units for U.S. \$56,700,000 at U.S. \$9.45 per Class U Unit.

During the period from December 15, 2014 to May 31, 2015, the Fund created and issued a new class of units, designated as Class V Units ("Class V Units"). On December 15, 2014, The Fund issued 1,264,681 units of Class V Units for \$12,646,810 at \$10.00 per Class V Unit. On March 6, 2015, the Fund issued another 48,887 units for \$500,000 at 10.2276 per Unit.

During the six-month period ended November 30, 2016, the Fund didn't have redemption for Class A Units and Class U Units. 1,248,354 Class V Units were fully redeemed for net payment of \$12,116,531 (During the six-month period ended November 30, 2015, the Fund didn't have redemption for Class A Units. The Fund redeemed 57,237 Class U Units for U.S. \$681,613 and 24,779 Class V Units for net payment of \$250,000).

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

	Class A Units November 30, 2016	Class A Units November 30, 2015	Class U Units November 30, 2016	Class U Units November 30, 2015	Class V Units November 30, 2016	Class V Units November 30, 2015
Balance – beginning of period	12,889,576	17,680,483	3,053,280	4,167,297	1,248,354	1,313,568
Issued during the period for cash	–	–	–	–	–	–
Units redeemed	–	–	–	(57,237)	(1,248,354)	(24,779)
Balance – end of period	12,889,576	17,680,483	3,053,280	4,110,060	–	1,288,789

## 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 does not have a fixed distribution. 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 \$6,870,000 in distributions to its Class A Unitholders, U.S. \$2,930,000 in distributions to its Class U Unitholders and \$375,000 in distributions to its Class V Unitholders (During the six-month period ended November 30, 2015, the Fund paid \$5,762,000 in distributions to its Class A Unitholders, U.S. \$1,112,000 in distributions to its Class U Unitholders and \$525,000.00 in distributions to its Class V Unitholders).

## 9 RELATED PARTY TRANSACTIONS

### Management fees

The Manager receives a management fee from the Fund Class A and Class U Units 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 Manager is not entitled to any Management Fee in respect of the Class V Units and/or the portion of the Net Asset Value of the Trust attributable to the Class V Units.

The management fees charged to the Fund during the six-month period ended November 30, 2016 were \$583,110 plus applicable taxes (\$844,932 plus applicable taxes during the same period ended November 30, 2015).

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

## 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 Fund could employ is 1.67:1.

The Fund entered into a Credit Agreement dated August 5, 2011 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 8.5% to 27.7% or from U.S. \$11,600,000 to U.S. \$48,500,000 during the six-month period ended November 30, 2016 (The Fund applied leverage in the range from 14.7% to 32.7% or from U.S. \$29,800,000 to U.S. \$89,000,000 during the six-month period ended November 30, 2015). The amount of U.S. \$19,300,000 or the Canadian equivalent of \$26,000,000 was outstanding as of November 30, 2016 (The amount of U.S. \$30,500,000 or the Canadian equivalent of \$40,615,325 was outstanding as of November 30, 2015). The leverage factor was approximately 14.3% as of November 30, 2016 (The leverage factor was approximately 14.9% as of November 30, 2015). The related interest expense during the six-month period ended November 30, 2016 was \$350,733 (\$531,659 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 will be minimized. 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 in connection with portfolio transactions. No contractual arrangements for soft dollar services exist in the broker commission charges.

## 13 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 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 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 Trust 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	115.6%	132.0%
Equities	1.3%	1.3%
Short-term investments	0.3%	0.2%
Foreign currency forward contracts	0.1%	(0.4%)
Leverage	(16.7%)	(27.0%)
Cash	-	0.1%
Net other assets (liabilities)	(0.6%)	(6.2%)
Total	100.0%	100.0%

The Fund’s total investments include term loans, equities and short-term investments. As at November 30, 2016 and May 31, 2016, the Fund’s term loans are mainly USD denominated issuers.

### 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 \$208,000 (May 31, 2016 - \$232,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**b) Interest rate risk**

Interest rate risk arises on interest-bearing financial instruments held in the investment portfolio such as bonds and short-term notes. Since the Senior Loans portfolio held by the Fund are floating rate instruments with a very short duration, changes in the prevailing levels of market interest rates are not expected to have a significant impact on the fair value of the portfolio but since the loans have a base rate of LIBOR, the yield to the funds will change as LIBOR fluctuates after taking into account any LIBOR floors the loans may have. As at November 30, 2016 and May 31, 2016, interest rate risk was minimal.

**c) Currency Risk**

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

The table below summarizes the Fund's exposure to foreign currencies as at 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.

<b>November 30, 2016</b>						
<b>Currency</b>	<b>Exposure</b>			<b>Impact on net assets attributable to holders of redeemable units</b>		
	<b>Non-Monetary Instruments</b>	<b>Monetary Instruments*</b>	<b>Total</b>	<b>Non-Monetary Instruments</b>	<b>Monetary Instruments*</b>	<b>Total</b>
USD dollar	\$ 2,076,119	\$ 33,854,576	\$ 35,930,695	\$ 103,806	\$ 1,692,729	\$1,796,535
Euro	-	(8,616)	(8,616)	-	(431)	(431)
<b>Total</b>	<b>\$ 2,076,119</b>	<b>\$ 33,845,960</b>	<b>\$35,922,079</b>	<b>\$ 103,806</b>	<b>\$ 1,692,298</b>	<b>\$1,796,104</b>
<b>% of Net Assets attributable to holders of redeemable units</b>	<b>1.3%</b>	<b>21.8%</b>	<b>23.1%</b>	<b>0.1%</b>	<b>1.1%</b>	<b>1.2%</b>
<b>May 31, 2016</b>						
<b>Currency</b>	<b>Exposure</b>			<b>Impact on net assets attributable to holders of redeemable units</b>		
	<b>Non-Monetary Instruments</b>	<b>Monetary Instruments*</b>	<b>Total</b>	<b>Non-Monetary Instruments</b>	<b>Monetary Instruments*</b>	<b>Total</b>
USD dollar	\$ 2,316,235	\$ 35,668,751	\$ 37,984,986	\$ 115,812	\$ 1,783,438	\$1,899,250
Euro	-	(38,564)	(38,564)	-	(1,928)	(1,928)
<b>Total</b>	<b>\$ 2,316,235</b>	<b>\$ 35,630,187</b>	<b>\$37,946,422</b>	<b>\$ 115,812</b>	<b>\$ 1,781,510</b>	<b>\$1,897,322</b>
<b>% of Net Assets attributable to holders of redeemable units</b>	<b>1.4%</b>	<b>20.9%</b>	<b>22.3%</b>	<b>0.1%</b>	<b>1.0%</b>	<b>1.1%</b>

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

### Credit risk

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

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-.

As at November 30, 2016 and May 31, 2016, no debt securities were contractually past due and no longer meeting interest payment obligations. State Street Bank and Trust Company and Bank of Nova Scotia are the counterparties of the foreign currency forward contract whose S&P credit rating were A+ and AA, respectively, 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	1.1%	1.6%
BBB-	1.4%	2.1%
BB+	4.6%	4.0%
BB	10.9%	11.1%
BB-	14.5%	11.4%
B+	20.8%	29.1%
B	36.0%	46.3%
B-	13.4%	12.1%
CCC+	9.7%	10.2%
CCC	1.1%	2.0%
CCC-	1.0%	0.7%
D	-	0.3%
Not rated	1.1%	1.1%
<b>Total</b>	<b>115.6%</b>	<b>132.0%</b>

### Liquidity risk

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

<b>November 30, 2016</b>				
	<b>On demand</b>	<b>Less than 3 months</b>	<b>Less than 1 year</b>	<b>Total</b>
Leverage	–	25,950,780	–	<b>25,950,780</b>
Payable on securities purchased	–	8,126,868	–	<b>8,126,868</b>
Other accounts payable and accrued expenses	–	514,062	–	<b>514,062</b>
Management fees payable	–	113,467	–	<b>113,467</b>
Unrealized depreciation on foreign currency forward contracts	–	11,282	–	<b>11,282</b>
<b>Total</b>	<b>–</b>	<b>34,716,459</b>	<b>–</b>	<b>34,716,459</b>
<b>May 31, 2016</b>				
	<b>On demand</b>	<b>Less than 3 months</b>	<b>Less than 1 year</b>	<b>Total</b>
Leverage	–	46,045,120	–	<b>46,045,120</b>
Payable on securities purchased	–	16,278,720	–	<b>16,278,720</b>
Other accounts payable and accrued expenses	–	484,076	–	<b>484,076</b>
Management fees payable	–	116,575	–	<b>116,575</b>
Unrealized depreciation on foreign currency forward contracts	–	780,078	–	<b>780,078</b>
<b>Total</b>	<b>–</b>	<b>63,704,569</b>	<b>–</b>	<b>63,704,569</b>

#### 14 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, 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:



<b>Assets at fair value as at November 30, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Term loans	–	179,360,825	–	179,360,825
Equities	–	2,076,119	–	2,076,119
Foreign currency forward contracts	–	192,612	–	192,612
<b>Total</b>	<b>–</b>	<b>181,629,556</b>	<b>–</b>	<b>181,629,556</b>

<b>Liabilities at fair value as at November 30, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Foreign currency forward contracts	–	11,282	–	11,282
<b>Total</b>	<b>–</b>	<b>11,282</b>	<b>–</b>	<b>11,282</b>

<b>Assets at fair value as at May 31, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Term loans	–	224,711,596	–	224,711,596
Equities	–	2,316,235	–	2,316,235
Foreign currency forward contracts	–	173,084	–	173,084
<b>Total</b>	<b>–</b>	<b>227,200,915</b>	<b>–</b>	<b>227,200,915</b>

<b>Liabilities at fair value as at May 31, 2016</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Foreign currency forward contracts	–	780,078	–	780,078
<b>Total</b>	<b>–</b>	<b>780,078</b>	<b>–</b>	<b>780,078</b>

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

## 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.

<b>Net gains (losses) on financial instruments at FVTPL</b>	<b>Net gains (losses)</b>	
	<b>November 30, 2016</b>	<b>November 30, 2015</b>
<b>Financial Assets and Liabilities at FVTPL:</b>		
Held for Trading	(3,722,922)	(12,005,310)
Designated at inception	14,328,605	17,537,518
<b>Total financial assets and liabilities at FVTPL</b>	<b>10,605,683</b>	<b>5,532,208</b>

## 16 OFFSETTING OF FINANCIAL INSTRUMENTS

The Fund has entered into a master netting agreement in connection with its Foreign Currency Forward Contracts with the counterparties. 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
<b>Counterparty</b>						
BNS	\$ 76,915	\$ –	\$ 76,915	\$ (11,282)	\$ –	\$ 65,633
State Street Bank and Trust Company Canada	175,730	(60,033)	115,697	–	–	115,697
<b>Net Amounts</b>	<b>\$252,645</b>	<b>\$ (60,033)</b>	<b>\$ 192,612</b>	<b>\$ (11,282)</b>		<b>\$ 181,330</b>
<b>Financial Liabilities</b>						
<b>Counterparty</b>						
BNS	\$ (11,282)	\$ –	\$ (11,282)	\$ 11,282	\$ –	\$ –
State Street Bank and Trust Company Canada	(60,033)	60,033	–	–	–	–
<b>Net Amounts</b>	<b>\$ (71,315)</b>	<b>\$ 60,033</b>	<b>\$ (11,282)</b>	<b>\$ 11,282</b>		<b>\$ –</b>

## As at May 31, 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
<b>Counterparty</b>						
State Street Bank and Trust Company Canada	\$ 173,084	\$ –	\$ 173,084	\$ (173,084)	\$ –	\$ –
<b>Net Amounts</b>			<b>\$ 173,084</b>	<b>\$ (173,084)</b>		<b>\$ –</b>
<b>Financial Liabilities</b>						
<b>Counterparty</b>						
BNS	\$ (266,098)	\$ –	\$ (266,098)	\$ –	\$ –	\$ (266,098)
State Street Bank and Trust Company Canada	\$ (513,980)	–	\$ (513,980)	\$ 173,084	–	\$ (340,896)
<b>Net Amounts</b>			<b>\$ (780,078)</b>	<b>\$ 173,084</b>		<b>\$ (606,994)</b>

## 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

RBC Investor Services Trust

### Auditor

PricewaterhouseCoopers LLP

### Website

[www.logiqasset.com](http://www.logiqasset.com)



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