



# **Voya Diversified Floating Rate Senior Loan Fund**

## **Semi-Annual Financial Statements**

**November 30, 2016**

## MANAGEMENT REPORT OF FUND PERFORMANCE

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

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

### INVESTMENT OBJECTIVES AND STRATEGIES

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

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

The Fund’s investment objectives are to:

- (i) provide tax-advantaged distributions consisting primarily of returns of capital;
- (ii) preserve capital; and
- (iii) generate increased returns in the event that short-term interest rates rise, in each case, through exposure to a diversified portfolio (the “Portfolio”) consisting primarily of senior, secured floating rate corporate loans (“Senior Loans”) and other senior debt obligations of non-investment grade North American borrowers held by ISL Loan Trust II (the “ISL Loan Trust II” or the “Trust”), and actively managed by Voya Investment Management Co. LLC (the “Sub-Advisor”).

In order to achieve the Fund’s investment objectives, the Fund obtains exposure, in a tax-efficient manner, to the performance of the Portfolio held by ISL Loan Trust II. The Sub-Advisor invests in a broadly diversified portfolio composed primarily of Senior Loans. The Sub-Advisor generally seeks to make investments in Senior Loans and other debt obligations of borrowers that have: (i) significant levels of asset and/or cash flow coverage; (ii) a protective capital structure, with adequate subordinated debt cushion; (iii) strong senior management; and (iv) attractive market positioning. The Portfolio consists primarily of Senior Loans that are expected to generate increased Portfolio cash flow in the event that short-term interest rates rise above applicable LIBOR floors. Up to 20% of Total Assets of the Fund may be exposed to senior, unsecured floating rate loans and notes, second lien floating rate loans and notes, corporate debt securities, short-term debt obligations, money market obligations, and equity securities that are incidental to investments in loans.

The Fund does not invest directly in ISL Loan Trust II; the Fund used the net proceeds of its initial public offering to pre-pay its purchase obligations under a forward purchase and sale agreement (the “Forward Agreement”) with Bank of Nova Scotia (the “Counterparty” or “BNS”). Under the Forward Agreement, the Fund will receive, on or before February 28, 2018, a specified portfolio consisting of securities of Canadian public issuers that are “Canadian securities” for the purposes of the Tax Act in an amount equal to the Net Asset Value of the Trust. Partial settlements under the Forward Agreement are intended to ensure that Unitholders have economic exposure to the distributions effected by ISL Loan Trust II. A fee of 0.45% per annum, calculated with reference to the Net Asset Value of ISL Loan Trust II, is payable to BNS under the Forward Agreement.

## RISK

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

ISL Loan Trust II may employ leverage of up to 40% of Total Assets (the “Leverage Factor”) for the purposes of acquiring assets for the Portfolio and such other short-term funding purposes as may be determined by the Sub-Advisor, in consultation with the Manager, from time to time and in accordance with the Investment Strategy. Accordingly, the maximum amount of leverage that the Trust could employ is 1.67:1. If there is a decline in the value of the assets in the Portfolio, the leverage will cause a decrease in the Net Asset Value of the Fund in excess of that which would otherwise be experienced if no leverage was utilized.

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

For full disclosure of the risks associated with an investment in the Fund’s Units, please refer to the Prospectus dated February 26, 2013 and to the Fund’s most recent Annual Information Form. Both are available at [www.logiqasset.com](http://www.logiqasset.com) and [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 Voya Diversified Floating Rate Senior Loan Fund had a market price return of 4.21% and a NAV return of 3.86%. Class A shares of ISL Loan Trust II, the bottom-level trust, generated a total return of 4.62%, as compared to 4.22% for the S&P/LSTA Leveraged Loan Index (“Index”) for the same period.

#### **Market Update**

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

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

Default activity for the Index remained well below the long-term average for the asset class, both by principal amount and number of issuers, with the rates easing to a nine-month low of 1.66% and 2.11%, respectively, as of November 30.

### Portfolio Specifics

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

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

### Outlook

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

### Disclaimer

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

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

## CAPITAL TRANSACTIONS

On March 22, 2013, the Fund completed an initial public offering pursuant to the Prospectus dated February 26, 2013. \$160,000,000 was raised through the issue of 16,000,000 Class A Units and U.S. \$17,714,670 was raised through the issue of 1,771,467 Class U Units. The Class A Units were issued at \$10.00 per Unit and incurred Agents' fees and issue expenses of \$9,073,440 or \$0.57 per Unit, for an opening Transactional NAV of \$9.43 per Unit. The Class U Units were issued at U.S. \$10.00 per Unit and incurred Agents' fees and issue expenses of U.S. \$1,004,581 or U.S. \$0.57 per Unit, for an opening Transactional NAV of U.S. \$9.43 per Unit.

On April 17, 2013, the Agents exercised an over-allotment option in respect of 703,924 Class A Units, raising a further \$7,039,240. The Agents' fees totaled \$369,560 or \$0.52 per Unit.

During the six-month period ended November 30, 2016, there were 2,721,160 Class A Units redeemed for \$22,820,464. There were 29,107 Class U Units redeemed for \$317,590 and 9,000 Class U Units converted to 11,579 Class A Units for a total value of \$96,892 (During the six-month period ended November 30, 2015, there were 3,170,502 Class A Units redeemed for \$27,514,517. There were 38,950 Class U Units redeemed for

\$433,274 and 119,600 Class U Units converted to 154,422 Class A Units for a total value of \$1,403,103).

## MARKET REPURCHASES

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

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

## NET ASSETS

The Net Assets per Unit is calculated as the value of the prepaid amount to the Counterparty under the Forward Agreement plus any other investments held by the Fund, plus the value of any gain or loss on the Forward Agreement, less any liabilities net of other assets of the Fund, divided by the number of Units outstanding.

On November 30, 2016, the prepaid amount to the Bank of Nova Scotia (the "Counterparty" or "BNS") under the Forward Agreement was \$63,736,132. Since the Fund can at any time terminate the Forward Agreement with the Counterparty in exchange for the value of ISL Loan Trust II, the value of the Forward Agreement to the Fund is equal to the transactional value of ISL Loan Trust II less the value of the prepaid amount to the Counterparty under the Forward Agreement. On November 30, 2016, the value of the unrealized gain on the Forward Agreement was \$13,096,098. Other investments held by the Fund totaled \$76,845 and other liabilities net of other assets in the Fund totaled \$735,536, leaving net assets of \$76,351,024. This amount is assigned to the Class A and Class U Unitholders using an allocation percentage that takes into consideration any class level specific expenses. On November 30, 2016, the Net Asset Values were \$8.43 per Class A Unit and \$11.45 or U.S. \$8.51 per Class U Unit. (On May 31, 2016, the prepaid amount to the Counterparty under the Forward Agreement was \$86,282,091. Since the Fund can at any time terminate the Forward Agreement with the Counterparty in exchange for the value of ISL Loan Trust II, the value of the Forward Agreement to the Fund is equal to the transactional value of ISL Loan Trust II less the value of the prepaid amount to the Counterparty under the Forward Agreement. On May 31, 2016, the value of the unrealized gain on the Forward Agreement was \$13,094,017. Other investments held by the Fund totaled \$77,783 and other liabilities net of other assets in the Fund totaled \$752,489, leaving net assets of \$99,063,956. This amount is assigned to the Class A and Class U Unitholders using an allocation percentage that takes into consideration any class level specific expenses. On May 31, 2016, the Net Asset Values were \$8.41 per Class A Unit and \$10.97 or U.S. \$8.39 per Class U Unit).

## DISTRIBUTIONS

The Fund does not have a fixed distribution policy but intends to make monthly distributions based on the actual and expected returns on the Portfolio. The Fund paid an initial distribution of \$0.065 per Class A Unit and U.S. \$0.065 per Class U Unit covering the period from March 22, 2013 (commencement of operations) to April 30, 2013. The initial distribution amount represents an annualized current yield of 6.0% based on the initial offering price of \$10.00 per Unit.

During the six-month period ended November 30, 2016, the Fund paid distributions of \$0.30 per Class A Unit and U.S. \$0.30 per Class U Unit (During the six-month period ended November 30, 2015, the Fund paid distributions of \$0.30 per Class A Unit and U.S. \$0.30 per Class U Unit).

## 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

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Manager provides investment management services to the Fund, including the provision of key management personnel.

### ***Management Fees***

The Manager receives a management fee from the Fund and ISL Loan Trust II equal in the aggregate to 1.25% per annum of the applicable Net Asset Value (0.50% from the Fund and 0.75% from ISL Loan Trust II) plus applicable taxes, calculated daily and payable monthly in arrears.

During the six-month period ended November 30, 2016, the management fees charged to the Fund and ISL Loan Trust II on a combined basis were \$596,919 plus applicable taxes (\$809,687 during the same period ended November 30, 2015).

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

### ***Administration Fees***

The Manager allocates back to the Fund a portion of the cost of individuals who have spent time working on the operation and oversight of the Fund.

During the six-month period ended November 30, 2016, administration fees amounted to \$23,438 (\$11,977 during the six-month period ended November 30, 2015).

### ***Service Fees***

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

The service fees charged to the Fund during the six-month period ended November 30, 2016 were \$187,730 (\$262,604 during the same period ended November 30, 2015).

### ***Independent Review Committee (“IRC”) Fee***

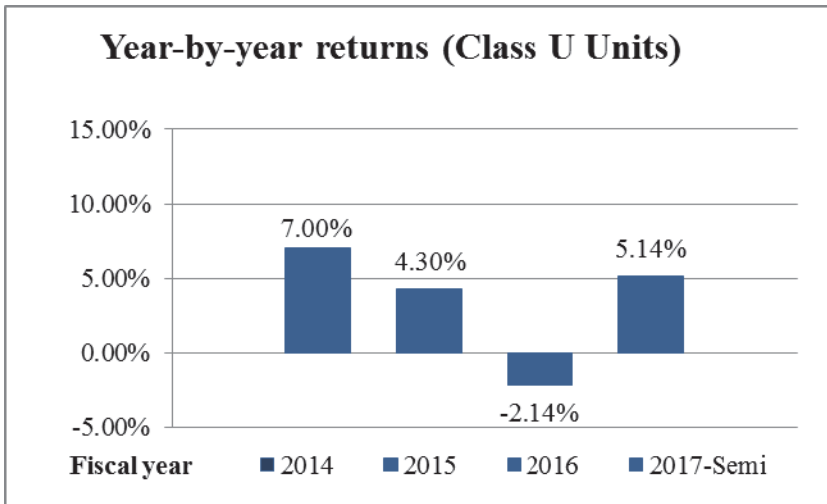
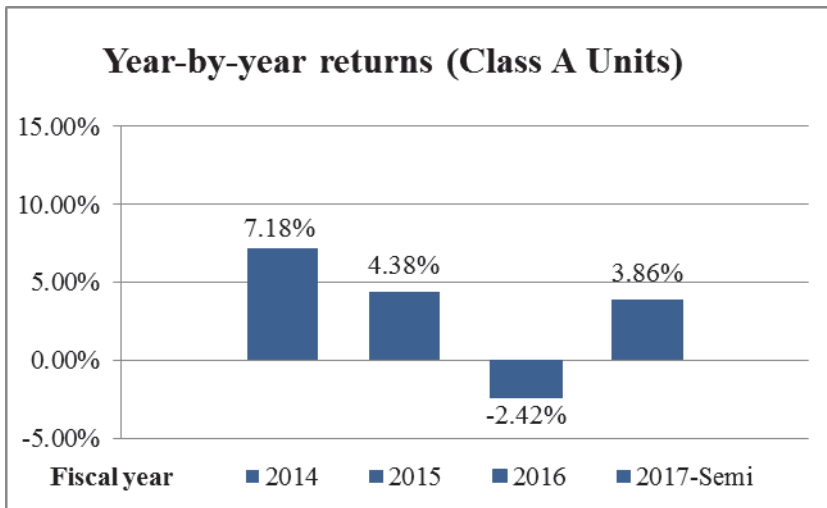
The members of the Independent Review Committee are John Crow (chair), Joseph Wright, Robert B. Falconer and Scott Browning. The Independent Review Committee acts as a review committee for a number of investment funds managed by the Manager.

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

During the six-month period ended November 30, 2016, IRC fees amounted to \$1,671 (\$1,845 during the six-month period ended November 30, 2015).

**PAST PERFORMANCE**

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



## FINANCIAL HIGHLIGHTS

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

### ***Class A Units:***

The Fund's Net Assets per Class A Unit:

	November 2016 <sup>(7)</sup> CAD	May 31, 2016 CAD	May 31, 2015 CAD	May 31, 2014 CAD	May 31, 2013 <sup>(1)</sup> CAD
<b>Net Assets, beginning of period</b> <sup>(6)</sup>	<b>8.41</b>	<b>9.24</b>	<b>9.44</b>	<b>9.39</b>	<b>10.00</b>
<b>Unit issue expense</b> <sup>(2)</sup>	–	–	–	–	<b>(0.57)</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	–	–	–	–	–
Total expenses	(0.05)	(0.09)	(0.15)	(0.14)	(0.03)
Realized gains (losses) for the period	0.36	0.35	0.28	0.01	–
Unrealized gains (losses) for the period	–	(0.54)	0.23	0.79	0.10
<b>Total increase (decrease) from operations</b> <sup>(3)</sup>	<b>0.31</b>	<b>(0.28)</b>	<b>0.36</b>	<b>0.66</b>	<b>0.07</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.30)	(0.60)	(0.60)	(0.60)	(0.12)
<b>Total Distributions</b> <sup>(4)</sup>	<b>(0.30)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(0.12)</b>
<b>Net Assets, end of period</b> <sup>(5) (6)</sup>	<b>8.43</b>	<b>8.41</b>	<b>9.24</b>	<b>9.44</b>	<b>9.39</b>

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

<sup>(2)</sup> Issue expenses of \$9,443,000 incurred in connection with the Class A Units issuance. The full amount of issue expenses was deducted from the unit capital for accounting purposes and is amortized over a period of five years for tax purposes.

<sup>(3)</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 10,376,356 Class A Units outstanding as of November 30, 2016 (May 31, 2016 – 12,040,956 units).

<sup>(4)</sup> The percentages used to allocate distributions among income, dividends, capital gain and return on capital are based on estimates.

<sup>(5)</sup> This is not a reconciliation between the opening and the closing net assets per unit.

<sup>(6)</sup> The Fund adopted International Financial Reporting Standards ("IFRS") commencing June 1, 2014. The information for the periods May 31, 2013 to May 31, 2014 are restated under IFRS from Canadian GAAP.

<sup>(7)</sup> Results for the six-month period ended November 30, 2016.

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

	November 2016 <sup>(6)</sup> CAD	May 31, 2016 CAD	May 31, 2015 CAD	May 31, 2014 CAD	May 31, 2013 <sup>(1)</sup> CAD
Net assets (000's)	68,410	91,034	126,970	161,023	156,786
Number of units outstanding	8,117,360	10,826,941	13,748,833	17,059,095	16,705,976
Base Management expense ratio <sup>(2) (3)</sup>	1.26%	1.08%	1.15%	1.52%	1.65%
Issue expenses ratio <sup>(2) (3)</sup>	0.00%	0.00%	0.00%	0.00%	6.10%
Management expense ratio (annualized) <sup>(3)</sup>	1.26%	1.08%	1.15%	1.59%	7.85%
Management expense ratio before waivers or absorptions (annualized) <sup>(3)</sup>	1.26%	1.08%	1.15%	1.59%	7.85%
Portfolio turnover rate <sup>(4)</sup>	0.00%	0.01%	0.00%	0.00%	0.00%
Trading expense ratio <sup>(5)</sup>	0.46%	0.44%	0.01%	0.02%	0.10%
Closing market price (TSX)	8.11	8.07	9.04	9.08	9.95

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

<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.



**Class U Units:**

The Fund's Net Assets per Class U Unit:

	November 30, 2016 <sup>(7)</sup>	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013 <sup>(1)</sup>
	USD	USD	USD	USD	USD
<b>Net Assets, beginning of period<sup>(6)</sup></b>	<b>8.39</b>	<b>9.19</b>	<b>9.41</b>	<b>9.37</b>	<b>10.00</b>
<b>Unit issue expense<sup>(2)</sup></b>	–	–	–	–	<b>(0.57)</b>
<b>Increase (decrease) from operations:</b>					
Total revenues	–	–	–	0.01	–
Total expenses	(0.07)	(0.12)	(0.17)	(0.15)	(0.03)
Realized gains (losses) for the period	0.50	0.18	1.63	0.51	–
Unrealized gains (losses) for the period	0.22	0.17	0.16	0.71	0.18
<b>Total increase (decrease) from operations<sup>(3)</sup></b>	<b>0.65</b>	<b>0.23</b>	<b>1.62</b>	<b>1.08</b>	<b>0.15</b>
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	(0.30)	(0.60)	(0.60)	(0.60)	(0.12)
<b>Total Distributions<sup>(4)</sup></b>	<b>(0.30)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(0.60)</b>	<b>(0.12)</b>
<b>Net Assets, end of period<sup>(5)(6)</sup></b>	<b>8.51</b>	<b>8.39</b>	<b>9.19</b>	<b>9.41</b>	<b>9.37</b>

<sup>(1)</sup> Results for the period from March 22, 2013 (commencement of operations) to May 31, 2013.<sup>(2)</sup> Issue expenses of U.S. \$1,004,581 incurred in connection with the Class U Units issuance. The full amount of issue expenses was deducted from the unit capital for accounting purposes and is amortized over a period of five years for tax purposes.<sup>(3)</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 718,534 Class U Units outstanding as of November 30, 2016 (May 31, 2016 – 837,404 units).<sup>(4)</sup> The percentages used to allocate distributions among income; dividends, capital gain and return on capital are based on estimates.<sup>(5)</sup> This is not a reconciliation between the opening and the closing net assets per unit.<sup>(6)</sup> The Fund adopted International Financial Reporting Standards (“IFRS”) commencing June 1, 2014. The information for the periods May 31, 2013 to May 31, 2014 is restated under IFRS from Canadian GAAP.<sup>(7)</sup> Results for the six-month period ended November 30, 2016.

Ratios and Supplemental Data (Class U Units):

	November 30, 2016 <sup>(6)</sup>	May 31, 2016	May 31, 2015	May 31, 2014	May 31, 2013 <sup>(1)</sup>
	USD	USD	USD	USD	USD
Net assets (000's)	5,906	6,138	9,025	13,139	16,581
Number of units outstanding	693,800	731,907	981,657	1,396,657	1,769,467
Base Management expense ratio <sup>(2)(3)</sup>	1.58%	1.38%	1.38%	1.57%	1.65%
Issue expenses ratio <sup>(2)(3)</sup>	0.00%	0.00%	0.00%	0.04%	6.05%
Management expense ratio (annualized) <sup>(3)</sup>	1.58%	1.38%	1.38%	1.61%	7.80%
Management expense ratio before waivers or absorptions (annualized) <sup>(3)</sup>	1.58%	1.38%	1.38%	1.61%	7.80%
Portfolio turnover rate <sup>(4)</sup>	0.00%	0.06%	0.00%	0.00%	0.00%
Trading expense ratio <sup>(5)</sup>	0.62%	0.57%	0.10%	0.00%	0.10%

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

**Investment portfolio of the Fund**

	Fair value \$	% of NAV
<b>Portfolio by Category</b>		
Prepaid forward agreement	76,832,277	100.7%
Exchange Traded Funds	76,845	0.1%
Cash	177,438	0.2%
Net other assets (liabilities)	(735,536)	(1.0%)
<b>Top 25 Holdings</b>		
Prepaid forward agreement	76,832,277	100.7%
Cash	177,438	0.2%
Voya Floating Rate Senior Loan Fund, Class U (USD)	76,845	0.1%
<b>Net asset value</b>	<b>76,351,024</b>	

The Fund obtained exposure to the performance of ISL Loan Trust II through the Forward Agreement (see Investment Objectives and Strategies). The following is the summary of the portfolio of ISL Loan Trust II as of November 30, 2016:

**Investment portfolio of ISL Loan Trust II**

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

## **Voya Diversified Floating Rate Senior Loan Fund**

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

*Notice to Reader:*

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

## STATEMENTS OF FINANCIAL POSITION (unaudited)

As at	November 30, 2016		May 31, 2016	
		\$		\$
<b>Assets</b>				
<b>Current assets</b>				
Cash	\$	177,438	\$	362,518
Financial assets at fair value through profit or loss		76,845		77,783
Prepaid Forward Agreement (note 11)		76,832,277		99,376,144
Interest and dividends receivable		376		-
Prepaid expenses		15,689		51,307
<b>Total assets</b>		<b>77,102,625</b>		<b>99,867,752</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Distributions payable to unitholders		453,184		589,217
Other accounts payable and accrued expenses		261,323		166,907
Management fees payable		37,094		47,672
<b>Total liabilities</b>	\$	<b>751,601</b>	\$	<b>803,796</b>
<b>Net assets attributable to holders of redeemable units</b>	\$	<b>76,351,024</b>	\$	<b>99,063,956</b>
<b>Net Assets attributable to holders of redeemable units per class</b>				
<b>Class A</b>	\$	<b>68,410,315</b>	\$	<b>91,034,292</b>
<b>Class U</b>	\$	<b>7,940,709</b>	\$	<b>8,029,664</b>
<b>Class U (USD)</b>		<b>USD \$ 5,905,629</b>		<b>USD \$ 6,138,437</b>
<b>Net assets attributable to holders of redeemable units</b>	\$	<b>76,351,024</b>	\$	<b>99,063,956</b>
<b>Redeemable units outstanding per class (note 5)</b>				
<b>Class A</b>		<b>8,117,360</b>		<b>10,826,941</b>
<b>Class U</b>		<b>693,800</b>		<b>731,907</b>
<b>Net assets attributable to holders of redeemable units per class per unit</b>				
<b>Class A</b>	\$	<b>8.43</b>	\$	<b>8.41</b>
<b>Class U</b>	\$	<b>11.45</b>	\$	<b>10.97</b>
<b>Class U (USD)</b>		<b>USD \$ 8.51</b>		<b>USD \$ 8.39</b>

The accompanying notes are an integral part of these financial statements

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



Derek Slemko  
Director



Kal Zakarneh  
Chief Financial Officer

## STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

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	\$ 2	\$ -
Dividends	87	3
Net realized gain (loss) on investments	24,579	24,904
Net realized gain (loss) on partial settlements of prepaid forward agreement (note 10)	4,120,552	4,830,162
Changes in unrealized appreciation (depreciation) on investments	7,710	(20,758)
Changes in unrealized appreciation (depreciation) on partial settlements of prepaid forward agreement (note 11)	238,265	(7,971,132)
<b>Net Gains (Losses) on investments and derivatives at FVTPL</b>	<b>4,391,195</b>	<b>(3,136,821)</b>
<b>Other income comprised of:</b>		
Realized foreign exchange gain (loss) on currency	83,816	(3,652)
Changes in unrealized foreign exchange appreciation (depreciation) on currency	(41,954)	17,057
<b>Total other income</b>	<b>41,862</b>	<b>13,405</b>
<b>Total income (loss)</b>	<b>4,433,057</b>	<b>(3,123,416)</b>
<b>Expenses</b>		
Management fees (note 9)	234,006	315,290
Service fees (notes 9)	187,730	262,604
Harmonized sales tax	63,101	75,692
Custodial and other unitholder fees	28,172	28,265
Legal fees	28,021	2,507
Administration fees (note 9)	23,438	11,977
TSX sustaining fees	10,380	10,373
Audit fees	9,767	10,028
Transfer agent fees	6,037	8,680
Filing fees	6,015	6,015
Other fees	5,596	22,074
Printing and mailing fees	5,013	5,013
IRC fees (note 10)	1,671	1,845
Interest expense	130	703
Broker commissions (note 14)	-	325
<b>Total expenses</b>	<b>609,077</b>	<b>761,391</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 3,823,980</b>	<b>\$ (3,884,807)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class per unit</b>		
Class A units	\$ 3,215,093	\$ (4,114,475)
Class U units	\$ 608,887	\$ 229,668
Class U units (USD) <sup>(1)</sup>	USD \$ 464,240	USD \$ 176,848
<b>Weighted average number of units outstanding during the period</b>		
Class A	10,376,356	13,283,435
Class U	718,534	905,935
<b>Increase (decrease) in net assets attributable to holders of redeemable units per class per unit<sup>(2)</sup></b>		
Class A units	\$ 0.31	\$ (0.31)
Class U units	\$ 0.85	\$ 0.25
Class U units (USD) <sup>(1)</sup>	USD \$ 0.65	USD \$ 0.20

(1) based on average exchange rate for the year

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

The accompanying notes are an integral part of these financial statements

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

For the six-month periods ended November 30	2016	2015
<b>Class A</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 3,215,093</b>	<b>\$ (4,114,475)</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Return of capital	(3,115,498)	(3,997,633)
<b>Redeemable unitholders' transactions (note 5)</b>		
Agents' fees and issue expenses	-	-
Conversion from Class U to Class A	96,892	1,403,103
Payments on redemption/cancellation of redeemable units (note 5)	(22,820,464)	(27,514,517)
	(22,723,572)	(26,111,414)
<b>Change in net assets attributable to holders of redeemable units during the period</b>	<b>(22,623,977)</b>	<b>(34,223,522)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>91,034,292</b>	<b>126,970,345</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>68,410,315</b>	<b>92,746,823</b>
<b>Class U</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>608,887</b>	<b>229,668</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Return of capital	(283,360)	(350,669)
<b>Redeemable unitholders' transactions (note 5)</b>		
Agents' fees and issue expenses	-	-
Conversion from Class U to Class A	(96,892)	(1,403,103)
Payments on redemption/cancellation of redeemable units (note 5)	(317,590)	(433,274)
	(414,482)	(1,836,377)
<b>Change in net assets attributable to holders of redeemable units during the year</b>	<b>(88,955)</b>	<b>(1,957,378)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>8,029,664</b>	<b>11,265,849</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>7,940,709</b>	<b>9,308,471</b>
<b>Total</b>		
<b>Increase (decrease) in Net Assets attributable to holders of redeemable units</b>	<b>3,823,980</b>	<b>(3,884,807)</b>
<b>Distributions to holders of redeemable units from: (note 8)</b>		
Return of capital	(3,398,858)	(4,348,302)
<b>Redeemable unitholders' transactions (note 5)</b>		
Agents' fees and issue expenses	-	-
Conversion from Class U to Class A	-	-
Payments on redemption/cancellation of redeemable units (note 5)	(23,138,054)	(27,947,791)
	(23,138,054)	(27,947,791)
<b>Change in net assets attributable to holders of redeemable units during the year</b>	<b>(22,712,932)</b>	<b>(36,180,900)</b>
<b>Net assets attributable to holders of redeemable units, beginning of period</b>	<b>99,063,956</b>	<b>138,236,194</b>
<b>Net assets attributable to holders of redeemable units, end of period</b>	<b>\$ 76,351,024</b>	<b>\$ 102,055,294</b>

The accompanying notes are an integral part of these financial statements

## STATEMENTS OF CASH FLOWS (unaudited)

<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	\$ 3,823,980	\$ (3,884,807)
<b>Adjustments to reconcile to operating cash flows:</b>		
Realized (gain) loss on prepaid forward agreement (note 11)	(4,120,552)	(4,830,162)
Changes in unrealized (appreciation) depreciation on prepaid forward agreement (note 11)	(238,265)	7,971,132
Realized (gain) loss on investments	(24,579)	(24,904)
Changes in unrealized (appreciation) depreciation on investments	(7,710)	20,758
Changes in unrealized foreign exchange (appreciation) depreciation on currency	41,954	(17,057)
(Increase) decrease in other prepaid expenses	35,618	979
(Increase) decrease in interest and dividends receivable	(376)	409
Increase (decrease) in accounts payable and accrued expenses	94,416	(719,636)
Increase (decrease) in management fees payable	(10,578)	(17,689)
Pre-settlements received by the Fund from the Counterparty under the forward agreement	26,927,264	34,225,988
Purchase of investment portfolio	-	3,985
Proceeds on disposition of investment portfolio	8,647	96,155
<b>Net cash flows provided by (used in) operating activities</b>	<b>26,529,819</b>	<b>32,825,151</b>
<b>Cash flows provided by (used in) financing activities</b>		
Payments on redemption/cancellation of units (note 5)	(23,138,054)	(27,947,791)
Distributions to holders of redeemable units, net of reinvested distributions	(3,534,891)	(4,509,366)
<b>Net cash flows provided by (used in) financing activities</b>	<b>(26,672,945)</b>	<b>(32,457,157)</b>
<b>Changes in unrealized appreciation (depreciation) on foreign exchange</b>	<b>(41,954)</b>	<b>17,057</b>
<b>Net increase (decrease) in cash during the period</b>	<b>(143,126)</b>	<b>367,994</b>
<b>Cash and short-term investments - beginning of period</b>	<b>362,518</b>	<b>46,828</b>
<b>Cash - end of period</b>	<b>\$ 177,438</b>	<b>\$ 431,879</b>
<b>Supplementary information</b>		
Interest received	2	-
Interest paid	130	325
Dividends received net of withholding tax	(289)	412

The accompanying notes are an integral part of these financial statements

## SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at November 30, 2016

Units			Average cost (CAD \$)	Fair value (CAD \$)	% of NAV	
<b>Investments</b>						
<b>Exchange Traded Funds</b>						
USD 6,700	Voya Floating Rate Senior Loan Fund, Class U (USD) <sup>(1)</sup>		46,247	76,845	0.1%	
<b>Total Exchange Traded Funds</b>			46,247	76,845	0.1%	
<b>Total investments (before transaction costs)</b>			46,247	76,845	0.1%	
Transaction costs (note 3)			-	-	0.0%	
<b>Total investments</b>			46,247	76,845	0.1%	
<b>Forward agreement:</b>	<b>Tranche Description</b>	<b>Maturity</b>	<b>Average Cost</b>	<b>Fair Value</b>	<b>% of</b>	
<b>Par Value</b>		<b>date</b>	<b>(CAD) \$</b>	<b>(CAD) \$</b>	<b>NAV</b>	
<b>Short-term investments</b>						
USD 106,830	USD Eurodollar Time Deposit Overnight Sweep 0.01%		143,644	143,644	0.2%	
<b>Total Short-term Investments</b>			143,644	143,644	0.2%	
<b>Term Loan <sup>(2)</sup></b>						
USD 997,500	Calpine Corp	Term Loan B-7	May/31/2023	1,276,425	1,350,738	1.9%
USD 980,000	Advantage Sales & Marketing, Inc.	Upsized 1st Lien Term Loan	Jul/23/2021	1,077,069	1,308,649	1.8%
USD 962,502	Wilsonart LLC	Term Loan B	Oct/31/2019	1,000,738	1,297,214	1.8%
USD 947,625	Golden Nugget, Inc.	Term Loan	Nov/21/2019	994,096	1,288,910	1.8%
USD 957,295	Eze Castle Software, Inc.	Term Loan B-1	Apr/06/2020	1,057,925	1,287,582	1.8%
USD 964,740	U.S. Telepacific Corp.	Term Loan B	Nov/25/2020	1,086,252	1,282,191	1.8%
USD 877,500	Aptean Holdings, Inc.	1st Lien Term Loan	Feb/27/2020	967,977	1,180,624	1.6%
USD 794,114	TI Group Automotive Systems, LLC	Upsized USD Term loan B	Jun/30/2022	1,019,527	1,075,107	1.4%
USD 807,920	SRAM, LLC	1st Lien Term Loan	Apr/10/2020	815,708	1,072,071	1.4%
USD 794,000	Horseshoe Baltimore	Funded Term Loan B	Jul/02/2020	884,000	1,056,936	1.4%
USD 800,000	Global Tel*Link Corporation	2nd Lien Term Loan	Nov/23/2020	809,882	1,046,099	1.4%
USD 1,155,000	SourceHOV, Inc.	2nd Lien Term Loan	Apr/30/2020	1,255,217	1,015,930	1.3%
USD 742,097	BMC Software, Inc.	U.S. Term Loan	Sep/10/2020	889,038	977,660	1.3%
USD 715,783	New Wave Communications	Term Loan B with Add On	Apr/30/2020	782,606	961,840	1.3%
USD 750,000	Atrium Innovations, Inc.	USD 2nd Lien Term Loan	Aug/13/2021	870,639	960,549	1.3%
USD 689,500	PetSmart, Inc.	Term Loan B	Mar/11/2022	914,053	930,842	1.2%
USD 687,519	Communications Sales & Leasing, Inc.	Term Loan B	Oct/24/2022	815,159	930,562	1.2%
USD 686,408	Hyland Software, Inc.	1st Lien Term Loan	Jul/01/2022	864,529	926,817	1.2%
USD 645,000	Dell International, LLC	Term Loan B	Sep/07/2023	821,055	875,804	1.1%
USD 661,401	Securus Technologies, Inc.	Upsized 2nd Lien Term Loan	Apr/30/2021	694,581	862,529	1.1%
USD 638,396	Kinetic Concepts, Inc.	Dollar Term F	Nov/01/2020	825,861	844,653	1.1%
USD 625,771	USI, Inc.	Incremental Term Loan (August 2015)	Dec/27/2019	679,033	842,464	1.1%
USD 625,000	Sedgwick Holdings, Inc.	2nd Lien Term Loan	Feb/28/2022	686,768	828,295	1.1%
USD 598,500	Western Digital Corporation	USD Term Loan B-1	Apr/29/2023	775,985	815,161	1.1%
USD 595,622	Compuware Corporation	Term Loan B-2	Dec/15/2021	656,291	803,376	1.1%
USD 700,000	Aricent Technologies Ltd.	2nd Lien Term Loan	Apr/07/2022	764,206	793,448	1.0%
USD 593,492	Air Medical Group Holdings, Inc.	Term Loan B	Apr/28/2022	743,950	792,025	1.0%
USD 585,539	Electrical Components International, Inc.	Upsized Term Loan B 2016	May/28/2021	652,205	789,284	1.0%
USD 587,999	Men's Wearhouse, Inc.	Term Loan	Jun/18/2021	648,248	782,711	1.0%
USD 645,125	Belk, Inc.	1st Lien Term Loan	Dec/12/2022	750,490	774,186	1.0%
USD 570,450	Doosan Infracore Bobcat Holdings Co., Ltd.	Term Loan B	May/28/2021	651,006	770,536	1.0%
USD 567,619	SIG Combibloc Group AG	New USD Term Loan	Mar/10/2022	709,381	766,188	1.0%
USD 548,625	SolarWinds Holdings, Inc.	Term Loan	Feb/05/2023	706,413	743,790	1.0%
USD 545,489	Avantor Performance Materials, Inc.	Incremental 1L Term Loan	Jun/21/2022	699,440	739,883	1.0%
USD 572,660	General Nutrition Centers, Inc.	Term Loan B	Mar/04/2019	749,739	738,236	1.0%
USD 2,000,000	WIS International	2nd Lien Term Loan	Jun/01/2019	2,110,262	712,638	0.9%
USD 523,661	Transdigm, Inc.	Term Loan D	May/25/2021	681,810	705,826	0.9%
USD 637,000	Onsite Rental Group Operations Pty Ltd.	Senior Secured Term Loan	Jul/30/2021	683,409	689,491	0.9%
USD 504,586	Flint Group Holdings S.A.R.L.	USD Term Loan B2	Sep/07/2021	543,386	678,183	0.9%
USD 500,000	NEP/NCP Holdco, Inc.	2nd Lien with Add On	Jul/22/2020	598,732	675,662	0.9%
USD 500,000	Wideopenwest Finance, LLC	2016 Term Loan B	Aug/15/2023	640,108	673,374	0.9%



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

As at November 30, 2016

Par Value	Tranche Description	Maturity date	Average cost (CAD)	Fair value (CAD)	% of NAV
			\$	\$	
<b>Term loans (continued...)</b>					
USD 497,453	TransUnion LLC	Term Loan B Add-On	637,823	672,817	0.9%
USD 496,250	Petco Animal Supplies, Inc.	Term Loan B-2	685,548	672,679	0.9%
USD 492,500	Accuvant, Inc.	Incremental 1st Lien Term Loan	559,802	666,976	0.9%
USD 500,000	Compuware Corporation	2nd Lien Term Loan	531,024	664,316	0.9%
USD 488,735	Equinox Holdings, Inc.	2015 Old Upsized 1st Lien Term Loan	524,074	661,945	0.9%
USD 487,374	Greeneden U.S. Holdings II, LLC	Existing Term Loan B	531,538	655,732	0.9%
USD 487,635	Infor (US), Inc.	Term Loan B-3	614,392	655,162	0.9%
USD 486,091	Oberthur Technologies	Tranche B-2 Term Loans Repriced	535,682	654,007	0.9%
USD 482,641	Amaya Gaming Group Inc.	Incremental 1st Lien Term Loan	523,087	649,932	0.9%
USD 479,447	First Data Corporation	Term Loan 2021 USD	632,910	648,022	0.8%
USD 482,538	Portillo Restaurant Group	1st Lien Term Loan	524,964	645,036	0.8%
USD 482,414	Aspect Software, Inc.	Exit Term Loan	624,878	644,458	0.8%
USD 488,750	Encompass Digital Media, Inc.	1st Lien Term Loan	530,487	639,101	0.8%
USD 488,750	24 Hour Fitness Worldwide, Inc.	Term Loan B	538,829	639,101	0.8%
USD 482,176	CareCore National, LLC	Upsized Term Loan B	526,546	636,988	0.8%
USD 496,250	Quality Distribution	1st Lien Term Loan	605,428	632,227	0.8%
USD 466,408	AmWINS Group, Inc.	Term Loan	614,120	631,276	0.8%
USD 459,987	Party City Holdings, Inc.	Term Loan-B	608,943	621,149	0.8%
USD 459,648	Warner Music Group	Term Loan C	615,091	617,270	0.8%
USD 450,000	AmWINS Group, Inc.	2nd Lien Term Loan	508,884	612,381	0.8%
USD 450,000	Kraton Polymers LLC	Term Loan Facility	552,512	609,524	0.8%
USD 481,363	U.S. Renal Care, Inc.	1st Lien Term Loan	636,931	608,406	0.8%
USD 448,875	US Foods, Inc.	Term Loan B	577,882	608,030	0.8%
USD 450,000	Kronos Incorporated	1st Lien Term Loan	600,097	606,848	0.8%
USD 492,525	Veritas Technologies Corporation	USD Term Loan B-1	547,051	597,128	0.8%
USD 446,509	Doncasters Group Limited	1st Lien Term Loan USD add-on	459,902	595,873	0.8%
USD 427,994	Applied Systems, Inc.	1st Lien Term Loan Add-On	495,251	578,058	0.8%
USD 436,557	OSG Bulk Ships, Inc.	1st Lien Term Loan	507,398	573,054	0.8%
USD 419,688	Novelis, Inc.	Term Loan B	512,069	566,193	0.7%
USD 408,975	Station Casinos LLC	Term Loan	532,773	553,481	0.7%
USD 406,125	Golden Nugget, Inc.	Delayed Draw Term Loan	426,041	552,390	0.7%
USD 400,000	Asurion, LLC	2nd Lien Term Loan	430,189	542,210	0.7%
USD 445,443	Syniverse Holdings, Inc.	Initial Term Loan	445,850	541,481	0.7%
USD 400,000	Dynegy, Inc.	Term Loan C	518,899	541,370	0.7%
USD 397,990	Navistar, Inc.	Term Loan B	490,648	540,238	0.7%
USD 396,000	KinderCare Education, LLC	Incremental 1st Lien Term Loan	522,747	536,899	0.7%
USD 396,985	Calpine Corp.	Term Loan B-5	510,180	535,704	0.7%
USD 391,217	Twin River Management Group, Inc.	Term Loan B	424,002	529,910	0.7%
USD 391,963	FMG Resources (August 2006) Pty Ltd.	Term Loan	463,765	528,022	0.7%
USD 390,000	Lions Gate Entertainment Corp.	New Term Loan B	512,750	524,613	0.7%
USD 387,411	Supervalu, Inc.	Term Loan	501,015	523,477	0.7%
USD 379,038	Advance Pierre Foods	1L Term Loan	478,032	513,239	0.7%
USD 380,000	LegalShield	2nd Lien Term Loan	413,367	509,671	0.7%
USD 380,000	Jo-Ann Stores, Inc.	Term Loan-B	493,523	509,032	0.7%
USD 373,181	First Data Corporation	Term Loan July 2022 Add-On	495,995	504,568	0.7%
USD 419,710	Harvey Gulf International Marine, LLC	Upsized Term Loan A	460,495	503,675	0.7%
USD 374,034	Tronox Pigments (Netherlands) B.V.	Term Loan	483,630	502,925	0.7%
USD 373,114	Surgery Center Holdings, Inc.	1st Lien Term Loan	492,238	502,003	0.7%

## 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 356,000	Cortes NP Acquisition Corporation	Term Loan B	Sep/29/2023	454,527	474,888	0.6%
USD 350,000	ON Semiconductor Corporation	Term Loan B	Mar/31/2023	463,310	473,748	0.6%
USD 348,250	Solera Holdings, Inc.	USD Term Loan B	Mar/03/2023	454,125	473,493	0.6%
USD 350,000	Revlon Consumer Products Corporation	Term Loan B 2016	Sep/07/2023	456,852	471,917	0.6%
USD 369,466	4L Holdings, Inc.	Upsized Term Loan B	May/08/2020	396,441	470,702	0.6%
USD 350,000	Epicor Software Corporation	08/16 Incremental Term Loan B	Jun/01/2022	444,014	470,316	0.6%
USD 345,000	Avast Software B.V.	Term Loan USD	Sep/30/2022	447,991	468,468	0.6%
USD 345,625	Life Time Fitness, Inc.	Upsized Term Loan B	Jun/10/2022	421,704	465,526	0.6%
USD 344,898	Duff & Phelps Corporation	Upsized Incremental Term Loan B 8/2015	Apr/23/2020	355,847	465,343	0.6%
USD 341,316	SurveyMonkey.com, LLC	Term Loan B	Feb/07/2019	371,073	463,523	0.6%
USD 346,010	P.F. Chang's China Bistro, Inc.	Term Loan	Jun/30/2019	358,312	459,429	0.6%
USD 337,360	Avago Technologies Ltd.	Term Loan B-3	Feb/01/2023	442,414	458,256	0.6%
USD 375,000	Encompass Digital Media, Inc.	2nd Lien Term Loan	Jun/05/2022	404,978	441,197	0.6%
USD 327,161	Fitness International, LLC.	Upsized Term Loan B	Jul/01/2020	347,873	440,616	0.6%
USD 322,674	Harbor Freight Tools USA, Inc.	Term Loan-B	Aug/15/2023	415,613	437,781	0.6%
USD 320,000	Visteon Corporation	Term Loan B	Apr/09/2021	412,356	432,154	0.6%
USD 319,920	NXP Semiconductors N.V.	Tranche F Loan	Dec/07/2020	417,902	432,114	0.6%
USD 314,399	Riverbed Technology, Inc.	1st Lien Term Loan	Apr/24/2022	411,565	426,880	0.6%
USD 392,000	Correct Care Solutions, LLC	1st Lien Term Loan	Jul/22/2021	426,996	424,302	0.6%
USD 322,411	Ascena Retail Group, Inc.	Term LoanB	Aug/21/2022	416,028	422,134	0.6%
USD 307,949	Vizient, Inc.	Term Loan B-2	Feb/11/2023	413,210	417,109	0.5%
USD 329,227	Aricent Group	Aug 2015 Upsized 1st Lien Term Loan	Apr/14/2021	360,892	412,798	0.5%
USD 305,000	Quikrete Holdings, Inc.	Term Loan B	Nov/15/2023	407,233	412,359	0.5%
USD 331,491	Seventy Seven Energy, Inc.	Term Loan	Jun/25/2020	346,368	406,722	0.5%
USD 300,000	Virtu Financial, LLC	Term Loan B	Oct/30/2022	398,960	406,405	0.5%
USD 348,948	Avaya, Inc.	Term B-7 Loan	May/29/2020	336,763	405,414	0.5%
USD 300,000	Dell Software Group	Term Loan B	Oct/31/2022	389,853	403,632	0.5%
USD 340,633	Avaya, Inc.	Term B-6 Loan	Mar/31/2018	373,214	403,531	0.5%
USD 300,000	Serta Simmons Bedding, LLC	1st Lien Term Loan	Oct/20/2023	399,080	402,444	0.5%
USD 296,129	TaxAct, Inc.	Term Loan B	Dec/23/2022	385,831	401,161	0.5%
USD 295,509	Sivantos, Inc.	Term Loan B USD	Jan/17/2022	384,004	400,819	0.5%
USD 294,750	Varsity Brands, Inc.	Oct 2016 Add On	Dec/10/2021	338,447	399,789	0.5%
USD 293,763	Scientific Games International, Inc.	Term Loan B-2	Oct/01/2021	365,312	398,789	0.5%
USD 300,000	Eze Castle Software, Inc.	2nd Lien Term Loan	Apr/05/2021	387,139	395,985	0.5%
USD 290,000	RedPrairie Corporation	Term Loan B	Sep/22/2023	381,867	390,868	0.5%
USD 295,500	Research Now Group, Inc.	1st Lien Term Loan	Mar/18/2021	374,702	389,383	0.5%
USD 295,110	Salem Communications Corporation	Term Loan B	Mar/13/2020	377,153	388,372	0.5%
USD 286,375	Tekni-Plex, Inc.	1st Lien USD Term Loan	Jun/01/2022	349,112	385,108	0.5%
USD 282,863	LPL Holdings, Inc.	2022 Tranche B Term Loan	Nov/20/2022	374,279	384,140	0.5%
USD 278,929	Acrisure, LLC	Term Loan	Nov/15/2023	370,772	375,047	0.5%
USD 298,500	Fullbeauty Brands, Inc.	1st Lien Term Loan	Oct/14/2022	365,162	374,271	0.5%
USD 274,594	Multiplan, Inc.	1st lien Term Loan	Jun/07/2023	346,635	373,735	0.5%
USD 286,464	Vince, LLC	Term Loan	Nov/27/2019	327,681	373,624	0.5%
USD 284,288	Cengage Learning Acquisitions, Inc.	Term Loan-B	May/31/2023	357,069	368,533	0.5%
USD 297,704	Neiman Marcus Group, Inc.	Term Loan	Oct/25/2020	359,105	364,717	0.5%
USD 264,500	Emerald Performance Materials, LLC	1st Lien Term Loan	Aug/01/2021	288,114	358,018	0.5%
USD 263,675	CHG Healthcare Services, Inc.	1st lien Term Loan	May/26/2023	332,852	357,165	0.5%
USD 263,542	Filtration Group Corporation	New Upsized 1st Lien Term Loan	Nov/30/2020	274,299	355,318	0.5%
USD 286,341	SunSource, Inc.	1st Lien Term Loan	Feb/12/2021	317,131	355,176	0.5%
USD 275,000	Advantage Sales & Marketing, Inc.	2nd Lien Term Loan	Jul/25/2022	299,290	350,660	0.5%
USD 259,350	Transdigm, Inc.	New Term Loan F	Jun/15/2023	342,366	349,681	0.5%

## 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 255,000	Rackspace Hosting, Inc.	Term Loan B	Nov/15/2023	340,055	345,904	0.5%
USD 249,375	Blount International, Inc.	Term Loan B USD	Apr/12/2023	317,994	340,339	0.4%
USD 254,363	McGraw Hill Global Education Holdings, LLC	Term Loan B	May/04/2022	325,348	339,237	0.4%
USD 248,750	KAR Auction Services, Inc.	Term Loan B-3	Mar/09/2023	328,280	338,702	0.4%
USD 250,000	Formula One World Championship Ltd.	Facility B3	Jul/30/2021	272,493	338,111	0.4%
USD 248,750	Select Medical Corporation	Series F Tranche B	Mar/03/2021	324,964	337,814	0.4%
USD 249,375	West Corp.	Term Loan B-12	Jun/30/2023	318,063	337,531	0.4%
USD 248,731	Midas Intermediate Holdco II, LLC	2016 Upsized Term Loan B	Aug/18/2021	317,238	337,161	0.4%
USD 250,000	Forterra Finance, LLC	1st Lien Term Loan	Oct/31/2023	333,409	336,850	0.4%
USD 250,000	Emerald Performance Materials, LLC	2nd Lien Term Loan	Aug/01/2022	272,319	336,780	0.4%
USD 248,127	PolyOne Corporation	Incremental Term Loan B	Nov/12/2022	320,245	336,620	0.4%
USD 250,000	Portillo Restaurant Group, Inc.	2nd Lien Term Loan	Aug/01/2022	272,120	336,360	0.4%
USD 248,750	Huntsman International, LLC	2016 Term Loan B	Mar/28/2023	325,793	336,348	0.4%
USD 248,750	Windstream Corporation	Term Loan B-6	Mar/29/2021	328,248	336,246	0.4%
USD 248,128	AssuredPartners, Inc.	Incremental 1st Lien Term Loan	Oct/21/2022	321,492	335,614	0.4%
USD 247,500	Cirque Du Soleil	1st Lien Term Loan	Jul/08/2022	315,119	335,076	0.4%
USD 247,500	Hostess Brands, LLC	1st Lien Term Loan	Aug/03/2022	325,069	334,868	0.4%
USD 248,125	Acadia Healthcare Company, Inc.	Term Loan B-2	Feb/16/2023	341,170	334,671	0.4%
USD 248,750	NorthStar Asset Management, Inc.	Term Loan B	Jan/31/2023	328,608	334,469	0.4%
USD 248,125	Linxens France SA	Term Loan B-1 USD	Oct/16/2022	325,073	334,463	0.4%
USD 247,500	Vistra Group Ltd.	USD 1st Lien Term Loan	Oct/26/2022	320,905	333,828	0.4%
USD 250,000	Patterson Medical Holdings, Inc.	Upsized 1st Lien Term Loan	Aug/28/2022	321,036	333,209	0.4%
USD 246,843	Vouvray US Finance, LLC	Term Loan B	Jun/30/2021	320,748	332,735	0.4%
USD 246,250	Dynacast International, LLC	Upsized 1st Lien Term Loan	Jan/15/2022	303,827	332,556	0.4%
USD 247,500	Schumacher Group	Upsized 1L Term Loan	Jul/31/2022	328,426	332,511	0.4%
USD 250,000	Aptean Holdings, Inc.	2nd Lien Term Loan	Feb/27/2021	274,015	332,508	0.4%
USD 247,500	Sterigenics International, LLC	Term Loan B	May/08/2022	299,516	332,364	0.4%
USD 246,250	Waste Industries USA, Inc.	Term Loan B	Feb/27/2020	325,165	332,246	0.4%
USD 247,500	Peacock Engineering Company, LLC	1st Lien Term Loan Facility	Jul/27/2022	322,198	331,125	0.4%
USD 248,711	Apex Tool Group	Term Loan B	Jan/31/2020	307,642	330,098	0.4%
USD 244,375	Hillman Group, Inc.	Term Loan B	Jun/30/2021	261,815	329,922	0.4%
USD 245,000	Solenis International, L.P.	USD 1st Lien Term Loan	Jul/31/2021	266,873	329,061	0.4%
USD 248,718	Gardner Denver, Inc.	Term Loan B USD	Jul/30/2020	300,753	325,282	0.4%
USD 238,788	Bass Pro Group, LLC	Term Loan B	Jun/05/2020	304,595	319,918	0.4%
USD 236,261	RBS Global, Inc.	1st Lien Term Loan	Aug/21/2020	310,945	318,670	0.4%
USD 233,816	Aspen Dental Management, Inc.	Incremental Term Loan B	Apr/30/2022	301,018	316,747	0.4%
USD 254,264	Academy Ltd.	Term Loan	Jul/01/2022	322,919	316,562	0.4%
USD 233,491	Medpace Holdings, Inc.	Term loan B	Apr/01/2021	253,360	314,736	0.4%
USD 304,858	Lands' End, Inc.	Term Loan B	Apr/04/2021	335,960	312,558	0.4%
USD 230,000	Leslies Poolmart, Inc.	Term Loan-B	Aug/16/2023	298,661	311,513	0.4%
USD 230,114	TricorBraun, Inc.	Incremental Term Loan	May/03/2018	232,035	309,604	0.4%
USD 312,807	Harvey Gulf International Marine, LLC	Upsized Term Loan B	Jun/18/2020	314,419	309,491	0.4%
USD 225,779	NAPA Management Services Corporation	Upsized 1st Lien Term Loan	Apr/19/2023	284,074	305,797	0.4%
USD 223,077	Manitowoc Foodservice, Inc.	Term Loan B	Mar/03/2023	299,350	304,946	0.4%
USD 250,000	Accudyne Industries, LLC	Term Loan	Dec/13/2019	291,128	301,134	0.4%
USD 325,000	Jason Incorporated	2nd Lien Term Loan	Jun/30/2022	342,314	294,972	0.4%
USD 216,805	XPO Logistics, Inc.	Term Loan B	Oct/31/2021	280,999	294,942	0.4%
USD 216,667	Delta 2 (Lux) S.a.r.l.	2nd lien facility	Aug/08/2022	234,974	293,424	0.4%
USD 210,788	Orion Engineered Carbons S.A.	Term loan B (USD)	Jul/25/2021	228,828	285,109	0.4%
USD 210,083	Wash Multi-Family Laundry Systems, LLC	USD 1st Lien Term Loan	May/26/2022	250,746	278,946	0.4%

## 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 205,000	Greeneden U.S. Holdings II, LLC	USD Term Loan	Nov/17/2023	271,539	277,079	0.4%
USD 200,000	ESH Hospitality, Inc.	Term Loan B	Aug/25/2023	257,606	271,245	0.4%
USD 199,500	Alliant Holdings, I, LLC	Incremental Term Loan (non-fungible)	Aug/14/2022	257,349	270,176	0.4%
USD 196,297	CBS Radio, Inc.	Term Loan B	Oct/10/2023	258,080	265,838	0.3%
USD 198,473	Sedgwick Holdings, Inc.	1st Lien Term Loan	Feb/28/2021	258,553	265,833	0.3%
USD 195,000	BroadStreet Partners, Inc.	Term Loan B	Nov/08/2023	259,208	262,852	0.3%
USD 191,790	American Casino and Entertainment Properties, LLC	Term Loan	Jul/07/2022	243,577	259,332	0.3%
USD 350,000	Healogics, Inc.	2nd Lien Term Loan	Jul/01/2022	384,725	258,836	0.3%
USD 200,000	Omnitracas Inc.	Upsized 2nd Lien Term Loan	May/25/2021	211,699	257,267	0.3%
USD 189,038	Hilex Poly Co, LLC	Incremental Term Loan	Dec/09/2021	237,476	255,896	0.3%
USD 184,528	M/A-COM Technology Solutions Holdings, Inc.	Upsized Term Loan B	May/07/2021	236,602	250,908	0.3%
USD 198,435	MEG Energy Corp.	Term Loan	Mar/31/2020	223,643	250,340	0.3%
USD 189,523	Fairmount Santral, Inc.	Tranche B-2 Term Loans	Sep/05/2019	205,223	244,640	0.3%
USD 180,000	ExamWorks Group, Inc.	1st lien Term Loan	Jul/27/2023	234,684	243,503	0.3%
USD 187,578	CHS/Community Health Systems, Inc.	Term Loan G	Dec/31/2019	228,309	239,764	0.3%
USD 174,633	EFS Cogen Holdings I LLP	Term Loan	Jun/15/2023	223,119	237,698	0.3%
USD 175,000	Proampac Intermediate, Inc.	1st Lien Term Loan	Nov/18/2023	232,978	236,923	0.3%
USD 172,960	Kleopatra Holdings 2 S.C.A.	Initial US Borrower Dollar Term Loans	Apr/28/2020	229,398	234,597	0.3%
USD 171,875	Ventia Pty Ltd.	Upsized Term Loan B	May/21/2022	222,826	233,703	0.3%
USD 171,491	Rovi Corporation	Term Loan B	Jul/02/2021	212,325	231,740	0.3%
USD 170,000	Envision Healthcare Corporation	Tranche C Term Loan	Nov/17/2023	226,321	229,296	0.3%
USD 200,000	FullBeauty Brands, Inc.	2nd Lien Term Loan	Oct/14/2023	229,819	228,582	0.3%
USD 217,372	iHeartCommunications, Inc.	Term Loan E	Jul/30/2019	233,718	226,516	0.3%
USD 164,588	Omnova Solutions, Inc.	Term Loan B	Aug/24/2023	209,649	223,241	0.3%
USD 165,068	Milacron LLC	Term Loan	Sep/28/2020	202,242	223,194	0.3%
USD 165,000	UPC Financing Partnership	Term Loan AN	Aug/31/2024	215,373	223,162	0.3%
USD 174,903	Jason Incorporated	1st Lien Term Loan	Jun/30/2021	188,643	222,240	0.3%
USD 160,000	Landry's Restaurants	Term Loan	Oct/03/2023	210,685	216,817	0.3%
USD 179,664	Onex Carestream Finance LP	1st Lien Term Loan	Jun/07/2019	188,399	216,211	0.3%
USD 150,000	Press Ganey Holdings, Inc.	2nd Lien Term Loan	Oct/01/2024	195,916	205,220	0.3%
USD 150,000	WireCo WorldGroup, Inc.	1st Lien Term Loan	Sep/29/2023	196,428	203,833	0.3%
USD 150,000	Casella Waste Systems, Inc.	Term Loan B	Oct/17/2023	197,212	203,707	0.3%
USD 150,000	Dayton Power and Light Company	Term Loan	Aug/30/2022	191,667	203,581	0.3%
USD 150,000	UFC Holdings, LLC	1st Lien Term Loan	Aug/04/2023	195,794	203,434	0.3%
USD 150,000	Versum Materials, Inc.	Term Loan B	Oct/01/2023	196,906	203,329	0.3%
USD 150,000	Entercom Communications Corporation	New Term Loan B	Nov/01/2023	200,902	203,203	0.3%
USD 149,625	Precyse Acquisition Corp.	1st lien Term Loan	Oct/20/2022	187,306	203,072	0.3%
USD 149,625	ADT Corporation	Upsized ADT 1st Lien Term Loan B-1	May/02/2022	187,368	202,946	0.3%
USD 150,000	Global Brass and Copper, Inc.	Term Loan B	Jun/30/2023	193,577	202,819	0.3%
USD 149,625	ATI Holdings, Inc.	1st Lien Term Loan	May/10/2023	190,420	202,611	0.3%
USD 150,000	Vertafore, Inc.	Term Loan B	Jun/30/2023	192,615	202,604	0.3%
USD 150,000	Telesat Canada	Term Loan B	Nov/14/2023	200,772	202,530	0.3%
USD 150,000	Advanced Disposal Services, Inc.	Term Loan B	Nov/08/2023	201,590	202,131	0.3%
USD 150,000	Caviium, Inc.	Term Loan B	Aug/15/2022	192,233	201,811	0.3%
USD 149,250	Evoqua Water Technologies, LLC	Incremental Term Loan	Jan/15/2021	187,785	201,810	0.3%
USD 150,000	Winnebago Industries, Inc.	Term Loan B	Nov/08/2023	199,272	201,690	0.3%
USD 149,625	NBTY, Inc.	USD Term Loan B	May/05/2023	188,984	201,626	0.3%
USD 150,000	Blackboard, Inc.	Term Loan B-4	Jun/30/2021	196,525	200,745	0.3%
USD 150,000	Royal Adhesives & Sealants, LLC	2nd Lien Term Loan	Jun/19/2023	184,590	200,682	0.3%
USD 144,251	iQor US, Inc.	1st Lien Term Loan	Apr/01/2021	153,117	183,292	0.2%

## 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 135,000	Telenet Group Holding NV	Term Loan AF	180,634	181,408	0.2%
USD 147,407	Veritas Technologies Corporation	Term Loan B-2	168,118	177,640	0.2%
USD 500,000	rue21, inc.	9.00% Senior Unsecured Notes	437,824	171,437	0.2%
USD 156,499	iQor US, Inc.	2nd Lien Term Loan	165,900	169,395	0.2%
USD 210,000	FTS International, Inc.	Term Loan	125,061	168,714	0.2%
USD 150,000	Del Monte Foods, Inc.	2nd Lien	158,219	160,344	0.2%
USD 112,342	Dollar Tree, Inc.	Term Loan-B3	147,011	152,754	0.2%
USD 99,221	Microsemi Corporation	Term Loan B	133,389	134,510	0.2%
USD 103,472	SourceHOV, LLC	1st Lien Term Loan	113,622	123,933	0.2%
USD 85,549	Allnex S.a.r.l.	Term B-2 Facility	109,853	116,215	0.2%
USD 94,751	Fram Group Holdings, Inc.	2nd Lien Term Loan	97,216	115,565	0.2%
USD 83,414	Flint Group S.A.	USD Term Loan C	89,828	112,158	0.1%
USD 75,582	Aruba Investments, Inc.	US Term Loan	93,054	101,521	0.1%
USD 73,915	Kleopatra Holdings 2 S.C.A	Initial German Borrower Dollar Term Loans	98,033	100,380	0.1%
USD 71,961	Otter Products, LLC	Term Loan B	77,457	93,614	0.1%
USD 150,272	rue21, Inc.	Term Loan B	166,593	88,905	0.1%
USD 64,451	Allnex S.a.r.l.	Term B-3 Facility	82,762	87,555	0.1%
USD 62,241	Global Payments, Inc.	Term Loan B	84,057	84,561	0.1%
USD 36,792	Wash Multi-Family Laundry Systems, LLC	CAD 1st Lien Term Loan	43,913	48,852	0.1%
<b>Term loans in USD</b>			108,345,927	116,863,465	153.1%
<b>Total Term Loans</b>			108,345,927	116,863,465	153.1%
<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>	
USD 37,451	Cengage Learning Holdings II, Inc.		1,516,099	948,366	1.2%
USD 47,889	Everyware Global, Inc.		472,863	507,083	0.7%
USD 27,693	Longview Power, LLC		383,943	97,428	0.1%
USD 6,483	Millennium Health, LLC		63,440	14,165	0.0%
USD 18	Southercross Holdings LP		20,826	8,592	0.0%
USD 55	Longview Power, LLC		-	194	0.0%
USD 18	Southercross Holdings GP, LLC		-	-	0.0%
<b>Total Common Stock</b>			2,457,172	1,575,828	2.0%
<b>Total investments held in ISL Loan Trust II under the forward agreement<sup>(2)</sup></b>			110,946,743	118,582,937	155.3%
<b>Foreign currency forward contracts<sup>(4)</sup></b>		<b>Maturity date</b>	<b>Contract price / rate (\$)</b>	<b>Unrealized gain (loss) (\$)</b>	<b>% of NAV</b>
Bought USD 925,000, Sold CAD 1,249,284 <sup>(3)</sup>		Dec/22/2016	0.740424	(5,794)	0.0%
Bought CAD 7,881,993, Sold USD 5,853,133		Dec/22/2016	1.346628	13,550	0.0%
Bought CAD 69,647,600, Sold USD 51,720,000		Dec/22/2016	1.346628	119,730	0.2%
Bought USD 5,853,133, Sold CAD 7,881,993 <sup>(3)</sup>		Dec/22/2016	0.742596	(13,550)	0.0%
<b>Total foreign currency forward contracts</b>				113,936	0.2%
<b>Leverage</b>				(40,875,840)	(53.5%)
<b>Cash</b>				73,064	0.1%
<b>Net other assets (liabilities)</b>				(1,061,820)	(1.4%)
<b>Prepaid forward agreement</b>				76,832,277	100.7%
<b>Cash</b>				177,438	0.2%
<b>Net other assets (liabilities) of the Fund</b>				(735,536)	(1.0%)
<b>Net asset of the Fund</b>				<b>\$ 76,351,024</b>	<b>100.0%</b>

(1) The Fund is a related party as it is managed by LOGIQ Asset Management Ltd..

(2) Voya Diversified Floating Rate Senior Loan Fund (the "Fund") obtained exposure to the performance of the portfolio held by ISL Loan Trust II through the Forward Agreement (see note 11); thus, the portfolio of ISL Loan Trust II is presented as part of this statement. The investments held in the portfolio of ISL Loan Trust II are all floating rate notes.

(3) The unrealized forward currency contract gains and losses are attributed to and allocated solely to the Class U Units of ISL Loan Trust II.

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

The accompanying notes are an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS (NOVEMBER 30, 2016)

### 1 GENERAL INFORMATION

Voya Diversified Floating Rate Senior Loan Fund (the “Fund”) is an investment fund established under the laws of the Province of Ontario and governed by the Trust Agreement (the “Trust Agreement”) between Aston Hill Capital Markets Inc. (the “Manager”) (see note 18) and RBC Investor Services Trust (the “Trustee”) dated February 26, 2013. The Fund commenced operations on March 22, 2013. The Fund’s principal office is located at 77 King Street West, Suite 2110, PO Box 92, Toronto, Ontario, M5K 1G8. The fiscal year end of the Fund is May 31.

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

The Fund’s investment objectives are to:

- (i) provide tax-advantaged distributions consisting primarily of returns of capital;
- (ii) preserve capital; and
- (iii) generate increased returns in the event that short-term interest rates rise, in each case, through exposure to a diversified portfolio (the “Portfolio”) consisting primarily of senior, secured floating rate corporate loans (“Senior Loans”) and other senior debt obligations of non-investment grade North American borrowers held by ISL Loan Trust II (the “ISL Loan Trust II” or the “Trust”) and actively managed by Voya Investment Management Co. LLC (the “Sub-Advisor”).

In order to achieve the Fund’s investment objectives, the Fund obtains exposure, in a tax-efficient manner, to the performance of the Portfolio held by ISL Loan Trust II. The Sub-Advisor invests in a broadly diversified portfolio composed primarily of Senior Loans. The Sub-Advisor generally seeks to make investments in Senior Loans and other debt obligations of borrowers that have: (i) significant levels of asset and/or cash flow coverage; (ii) a protective capital structure, with adequate subordinated debt cushion; (iii) strong senior management; and (iv) attractive market positioning. The Portfolio consists primarily of Senior Loans that are expected to generate increased Portfolio cash flow in the event that short-term interest rates rise above applicable LIBOR floors. Up to 20% of Total Assets of the Fund may be exposed to senior, unsecured floating rate loans and notes, second lien floating rate loans and notes, corporate debt securities, short-term debt obligations, money market obligations, and equity securities that are incidental to investments in loans.

The Fund does not invest directly in ISL Loan Trust II; the Fund used the net proceeds of its initial public offering to pre-pay its purchase obligations under a forward purchase and sale agreement (the “Forward Agreement”) with Bank of Nova Scotia (the “Counterparty” or “BNS”). Under the Forward Agreement, the Fund will receive, on or before February 28, 2018, a specified portfolio consisting of securities of Canadian public issuers that are “Canadian securities” for the purposes of the Tax Act in an amount equal to the Net Asset Value of the Trust. Partial settlements under the Forward Agreement are intended to ensure that Unitholders have economic exposure to the distributions effected by ISL Loan Trust II. A fee of 0.45% per annum, calculated with reference to the Net Asset Value of ISL Loan Trust II, is payable to BNS under the Forward Agreement.

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

### 2 BASIS OF PREPARATION

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Manager to exercise its judgment in the process of applying the Funds’ accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### a) Financial instruments

The Funds' long position investments in equity securities are designated at fair value through profit or loss ("FVTPL") at inception. The Funds Prepaid Forward Agreement is designated at fair value through profit or loss ("FVTPL") at inception. The Funds' obligation for Net Assets attributable to holders of redeemable units is presented at approximately the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring their published Net Asset Value. The fair values of the Funds' financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

#### b) Fair Value Measurement

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

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

Refer to note 15 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 Short Term Notes

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

#### d) Investment Transactions and Income Recognition

Regular purchases and sales are recognized on the trade date - the date on which the Fund commits to purchase or sell the investment and any realized and unrealized gains or losses are recognized using the average cost of the investments, which excludes broker commissions. 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 mutual fund 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 and unrealized capital gains on an annual basis. Accordingly, no income tax provision has been recorded. The Fund may incur withholding taxes imposed by certain countries on investment income and

capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statement of Comprehensive Income.

**g) Foreign Exchange**

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

**h) Foreign Currency Translation**

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

**i) Prepaid forward agreement**

Prepaid forward agreement entered into by the Fund are valued at an amount that is equal to the gain or loss that would be realized if the position were to be closed out, which is equivalent to the difference between the deliverable asset and the value of the asset to be received. Changes in the value of a forward contract or the assets deliverable under such a contract are included in "Net realized gain (loss) on partial settlements of prepaid forward agreement". The fair value is determined based on the net asset value of ISL Loan Trust II less accrued fees relating to the prepaid forward agreement.

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

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

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

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

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

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

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

Under Canadian GAAP, the Fund accounted for their redeemable units as equity. Under IFRS, IAS 32 requires that shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as a financial



liability. A Fund with multiple series fails to meet the criteria outlined in IAS 32.16(a) and (c). Specifically, the unitholders would not be entitled to a pro rata share of the entity's Net Assets attributable to holders of redeemable units upon liquidation due to the differing series, nor would each series have identical features. Accordingly, all of the criteria in IAS 32.16 are not met. As such, in accordance with the standard, 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 a prepaid forward agreement 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 and prepaid forward agreement as the investments are managed on a fair value basis in accordance with the Fund's investment strategy.

#### 5 REDEEMABLE UNITS OF THE FUND

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

On March 22, 2013, the Fund completed its initial public offering pursuant to the Prospectus dated February 26, 2013. \$160,000,000 was raised through the issue of 16,000,000 Class A Units and U.S. \$17,714,670 was raised through the issue of 1,771,467 Class U Units. The Class A Units were issued at \$10.00 per Unit and incurred Agents' fees and issue expenses of \$9,073,440 or \$0.57 per Unit, for an opening Transactional NAV of \$9.43. The Class U Units were issued at U.S. \$10.00 per Unit and incurred Agents' fees and issue expenses of U.S. \$1,004,581 or U.S. \$0.57 per Unit, for an opening Transactional NAV of U.S. \$9.43 per Unit.

On April 17, 2013, the Agents exercised an over-allotment option in respect of 703,924 Class A Units, raising a further \$7,039,240. Agents' fees were \$369,560 or \$0.52 per Unit.

The Class A Units and Class U Units may be redeemed on an Annual Redemption Date, which is the second to last business day of October, subject to certain conditions. In order to effect such a redemption, the Units must be surrendered during the period from the first Business Day (any day except Saturday, Sunday, a statutory holiday in Toronto or any other day on which the TSX is not open for trading) in August until 5:00 p.m. (Toronto time) on August 15 in the year of redemption (the "Notice Period"), subject to the Fund's right to suspend

redemptions in certain circumstances. Units properly surrendered for redemption during the Notice Period will be redeemed on the Annual Redemption Date and the Unitholder surrendering such Units will receive payment on or before the Redemption Payment Date, which is the 10th Business Day of the month immediately following an Annual Redemption Date. Redeeming Unitholders will be entitled to receive a redemption price in an amount equal to 100% of the Annual Redemption Price, which is the redemption price per Unit of the relevant class on an Annual Redemption Date less any costs associated with the redemption, including brokerage costs and less any net realized capital gains or income to the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition on redemption. Unitholders depositing Units during the Notice Period will be entitled to elect to receive the Monthly Redemption Amount rather than the Annual Redemption Amount (as defined below).

In addition to the annual redemption right, commencing in 2014, the Class A Units and Class U Units may also be redeemed on a Monthly Redemption Date, which is the second to last business day of each month other than October, subject to certain conditions. In order to effect such a redemption, the Units must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is the first Business Day of the month preceding the month in which the Monthly Redemption Date falls, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption within such period will be redeemed on the Monthly Redemption Date and the Unitholder surrendering such Units will receive payment on or before the Redemption Payment Date, which is the 10th Business Day of the month immediately following a Monthly Redemption Date. Concurrently with the payment of the redemption price, the Fund may pay to the redeeming Unitholder a cash distribution in the amount of the net realized capital gains or income of the Fund incurred by it to fund the payment of the redemption price. Unitholders surrendering a Class A Unit for redemption will receive a redemption price equal to the lesser of (i) 95% of the Market Price of a Class A Unit, which is the weighted average trading price on the TSX (or such other stock exchange on which such security is listed), for the 10 trading days immediately preceding such Monthly Redemption Date and (ii) 100% of the Closing Market Price of a Class A Unit on the applicable Monthly Redemption Date, which is the closing price of such security on the TSX on such Monthly Redemption Date (or such other stock exchange on which such security is listed) or, if there was no trade on the relevant Monthly Redemption Date, the average of the last bid and the last asking pricings of the security on the TSX on such Monthly Redemption Date (or such other stock exchange on which the security is listed) less, in each case, any costs associated with the redemption, including brokerage costs, and less any net realized capital gains or income of the Fund that are distributed to a Unitholder concurrently with the proceeds of disposition of redemption, being the Monthly Redemption Amount. Unitholders surrendering a Class U Unit for redemption will receive in U.S. dollars an amount equal to the U.S. dollar equivalent of the product of (i) the Monthly Redemption Amount and (ii) a fraction, the numerator of which is the most recently calculated Redemption Net Assets per Unit of a Class U Unit and the denominator of which is the most recently calculated Redemption Net Assets per Unit of a Class A Unit.

During the six-month period ended November 30, 2016, there were 2,721,160 Class A Units redeemed for \$22,820,464. There were 29,107 Class U Units redeemed for \$317,590 and 9,000 Class U Units converted to 11,579 Class A Units for a total value of \$96,892 (During the six-month period ended November 30, 2015, there were 3,170,502 Class A Units redeemed for \$27,514,517. There were 38,950 Class U Units redeemed for \$433,274 and 119,600 Class U Units converted to 154,422 Class A Units for a total value of \$1,403,103).

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

	Class A Units		Class U Units	
	November 30, 2016	November 30, 2015	November 30, 2016	November 30, 2015
Balance – beginning of year	10,826,941	13,748,833	731,907	981,657
Class U Units converted to Class A Units	11,579	154,422	(9,000)	(119,600)
Units redeemed	(2,721,160)	(3,170,502)	(29,107)	(38,950)
Balance – end of year	8,117,360	10,732,753	693,800	823,107

## 6 FUND ADMINISTRATION

RBC Investor & Treasury Services 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

Pursuant to the Trust Agreement RBC Investor Services Trust (the "Custodian") acts as custodian of the assets of the Fund. The Custodian is also responsible for certain aspects of the Fund's day-to-day operations, including calculating Transactional NAV, net income and net realized capital gains of the Fund and maintaining the books and records of the Fund. In consideration for these services, the Fund pays a fee to the Custodian. The Custodian is rated AA- by S&P as of November 30, 2016 and May 31, 2016.

## 8 DISTRIBUTIONS

The Fund does not have a fixed distribution policy but intends to make monthly distributions based on the actual and expected returns on the Portfolio. The Fund paid an initial distribution of \$0.065 per Class A Unit and U.S. \$0.065 per Class U Unit covering the period from March 22, 2013 (commencement of operations) to April 30, 2013. The initial distribution amount represents an annualized current yield of 6.0% based on the initial offering price of \$10.00 per Unit.

During the six-month period ended November 30, 2016, the Fund paid distributions of \$0.30 per Class A Unit and U.S. \$0.30 per Class U Unit (\$0.30 per Class A Unit and U.S. \$0.30 per Class U Unit during the same period ended November 30, 2015).

## 9 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Manager provides investment management services to the Fund, including the provision of key management personnel.

### Management Fees

The Manager receives a management fee from the Fund and ISL Loan Trust II equal in the aggregate to 1.25% per annum of the applicable Net Asset Value (0.50% from the Fund and 0.75% from ISL Loan Trust II) plus applicable taxes, calculated daily and payable monthly in arrears.

During the six-month period ended November 30, 2016, the management fees charged to the Fund and ISL Loan Trust II on a combined basis were \$596,919 plus applicable taxes (\$809,687 during the same period ended November 30, 2015).

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

### Administration Fees

The Manager allocates back to the Fund a portion of the base salaries of individuals who have spent time working on matters relating to the operations of the Fund. The expenses are directly attributable to the Fund as they relate to time spent on Fund accounting, valuation, taxation, compliance, investor relations, financial and shareholder reporting, cost management, oversight and any other operations matter.

During the six-month period ended November 30, 2016, administration fees amounted to \$23,438 (\$11,977 during the six-month period ended November 30, 2015).

### Service Fees

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

The service fees charged to the Fund during the six-month period ended November 30, 2016 were \$187,730 (\$262,604 during the same period ended November 30, 2015).

## 10 INDEPENDENT REVIEW COMMITTEE (“IRC”) FEES

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

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

During the six-month period ended November 30, 2016, IRC fees amounted to \$1,671 (\$1,845 during the six-month period ended November 30, 2015).

## 11 PREPAID FORWARD AGREEMENT

The Fund does not invest directly in ISL Loan Trust II; the Fund used a portion of the net proceeds of the initial public offering to pre-pay its purchase obligations under a forward purchase and sale agreement (the “Forward Agreement”) with the Bank of Nova Scotia (the “Counterparty” or “BNS”) whose S&P credit rating was A+ as of November 30, 2016 (A+ as of May 31, 2016). Under the Forward Agreement, the Fund will receive, on or before February 28, 2018, a specified portfolio consisting of securities of Canadian public issuers that are “Canadian securities” for the purposes of the Tax Act (“Canadian Securities”) in an amount equal to the value of ISL Loan Trust II. Partial settlements under the Forward Agreement are intended to ensure that Unitholders have economic exposure to the distributions effected by ISL Loan Trust II. A counterparty fee of 0.45 % per annum, calculated daily with reference to the NAV of ISL Loan Trust II, is payable to BNS under the Forward Agreement.

On November 30, 2016, the prepaid amount to the Counterparty under the Forward Agreement was \$63,736,132. Since the Fund can at any time terminate the Forward Agreement with the Counterparty in exchange for the value of ISL Loan Trust II, the value of the Forward Agreement to the Fund is equal to the transactional value of ISL Loan Trust II less the value of the prepaid amount to the Counterparty under the Forward Agreement. On November 30, 2016, the value of the unrealized gain on the Forward Agreement was \$13,096,098. Other investments held by the Fund totaled \$76,845 and other liabilities net of other assets in the Fund totaled \$735,536, leaving net assets of \$76,351,024. This amount is assigned to the Class A and Class U Unitholders using an allocation percentage that takes into consideration any class level specific expenses. On November 30, 2016, the Net Asset Values were \$8.43 per Class A Unit and \$11.45 or U.S. \$8.51 per Class U Unit. (On May 31, 2016, the prepaid amount to the Counterparty under the Forward Agreement was \$86,282,091. Since the Fund can at any time terminate the Forward Agreement with the Counterparty in exchange for the value of ISL Loan Trust II, the value of the Forward Agreement to the Fund is equal to the transactional value of ISL Loan Trust II less the value of the prepaid amount to the Counterparty under the Forward Agreement. On May 31, 2016, the value of the unrealized gain on the Forward Agreement was \$13,094,017. Other investments held by the Fund totaled \$77,783 and other liabilities net of other assets in the Fund totaled \$752,489, leaving net assets of \$99,063,956. This amount is assigned to the Class A and Class U Unitholders using an allocation percentage that takes into consideration any class level specific expenses. On May 31, 2016, the Net Asset Values were \$8.41 per Class A Unit and \$10.97 or U.S. \$8.39 per Class U Unit.)

Pursuant to the material changes as mentioned in “Investment Objective and Strategies” above, the Forward Agreement will remain until its scheduled termination on February 28, 2018, as a result of the above mentioned changes to the Income Tax Act, the Forward Agreement will be terminated and the Fund will hold the Portfolio held by BNS directly.

## 12 MARKET PURCHASE PROGRAM

The Fund’s Trust Agreement provides that the Fund may, in its sole discretion, from time to time, purchase (in the open market or by invitation for tenders) Units for cancellation subject to applicable law and stock exchange requirements, based on the Manager’s assessment that such purchases are accretive to Unitholders, in all cases at a price per Unit not exceeding the most recently calculated NAV per Unit of the applicable class immediately prior to the date of any such purchase of Units. These purchases are made as normal course issuer bids through the facilities and under the rules of the TSX or such other exchange or market on which the Units are listed.

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

## 13 INCOME TAXES

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and accordingly, is subject to tax on its investment income, including net realized capital gains, for any calendar year in which its net investment income or sufficient net realized capital gains are not paid or payable to its Unitholders as at the end of the calendar year. It is the intention of the Manager that all annual net investment income and sufficient net taxable capital gains 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.

As at tax year end December 31, 2015, the Fund had net capital losses of \$580,028, (December 31, 2014 – \$580,028), which may be carried forward indefinitely to reduce future realized capital gains and non-capital losses of \$6,649,552 (December 31, 2014 – \$5,204,949), which will expire within the next twenty years as shown in the following table:

Year of the realized non-capital tax loss	Amount of tax loss	Expiry date
2013	3,059,448	2033
2014	2,145,501	2034
2015	1,444,603	2035
<b>Total</b>	<b>6,649,552</b>	

#### 14 BROKER COMMISSION CHARGES AND SOFT DOLLAR SERVICES

There was \$nil of broker commissions paid during the six-month period ended November 30, 2016 in connection with portfolio transactions (\$325 of broker commissions paid during the same period ended November 30, 2015). No contractual arrangements for soft dollar services exist in the broker commission charges.

#### 15 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, 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.

**Prepaid Forward Agreement:** The Prepaid Forward Agreement is classified as Level 2 as its value is based on observable inputs, but it is not an actively traded investment.

The Fund obtained exposure to the performance of the portfolio held by ISL Loan Trust II through the Forward Agreement (see note 11) and therefore, the following tables illustrate the classification of the Fund's and the Trust's financial instruments within the fair value hierarchy as at November 30, 2016 and May 31, 2016. The prepaid forward agreement is a level 2 security as its value is based on observable input as at November 30, 2016.

Assets at fair value as at November 30, 2016	Level 1	Level 2	Level 3	Total
Prepaid Forward Agreement	\$ –	\$ 76,832,277	\$ –	\$ 76,832,277
Exchange traded funds	76,845	–	–	76,845
<b>Total</b>	<b>\$ 76,845</b>	<b>\$ 76,832,277</b>	<b>\$ –</b>	<b>\$ 76,909,122</b>

Assets at fair value as at May 31, 2016	Level 1	Level 2	Level 3	Total
Prepaid Forward Agreement	\$ –	\$ 99,376,144	\$ –	\$ 99,376,144
Exchange traded funds	77,783	–	–	77,783
<b>Total</b>	<b>\$ 77,783</b>	<b>\$ 99,376,144</b>	<b>\$ –</b>	<b>\$ 99,453,927</b>

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

## 16 FINANCIAL INSTRUMENT RISK

The Fund obtained exposure to the performance of the portfolio held by ISL Loan Trust II through the Forward Agreement (see note 11) and therefore, the risks associated with an investment in the Fund's Units are best defined in conjunction with financial risks associated with an investment in the Trust's portfolio.

### Credit risk

The Fund is exposed to the risk that a security issuer or counterparty will be unable to pay amounts in full when due. The fair value of debt and debt-like securities includes consideration of the credit worthiness of the debt issuer. The carrying amount of these investments and the unrealized gain on derivative instruments outstanding with counterparties represents the maximum credit risk exposure as at November 30, 2016 and May 31, 2016.

The tables below summarize the exposure to credit risk through its investment in ISL Loan Trust II as of November 30, 2016 and May 31, 2016. Amounts shown are based on the carrying value of debt investments and the unrealized gain (loss) on derivative instruments outstanding with counterparties. The counterparty to the prepaid forward contracts had S&P credit ratings of A+ as of November 30, 2016 and May 31, 2016.

Rating	November 30, 2016 (% of NAV)	May 31, 2016 (% of NAV)
BBB	0.8%	1.2%
BBB-	3.6%	2.8%
BB+	4.5%	2.7%
BB	12.8%	9.7%
BB-	19.9%	12.4%
B+	28.5%	28.3%
B	47.6%	40.8%
B-	15.7%	14.1%
CCC+	13.3%	16.0%
CCC	2.9%	2.7%
CCC-	1.5%	0.4%
D	0.0%	0.3%
Not rated	2.0%	2.3%
<b>Total</b>	<b>153.1%</b>	<b>133.7%</b>

As at November 30, 2016 and May 31, 2016, no debt securities were contractually past due and no longer meeting interest payment obligations.

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

### 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 ISL Loan Trust II 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.

### Currency risk

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

The table below summarizes the Fund's exposure to foreign currencies as at November 30, 2016 and May 31, 2016. The table shows sensitivity evaluation due to exposure to the U.S. dollar for the Fund. The amounts shown are based on the carrying values of monetary and non-monetary assets as well as the underlying principal amounts of foreign currency derivatives such as forward contracts. Other financial

assets and liabilities denominated in foreign currencies do not expose the Fund to significant currency risk. The table below summarizes the significant exposure to foreign currencies and the approximate impact on net assets had the functional currency of each class of units weakened by 5% in relation to these currencies. If the functional currency were to strengthen relative to these currencies, the opposite would occur. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**November 30, 2016**

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

**May 31, 2016**

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

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

**Liquidity risk**

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

All of the Fund's financial liabilities at November 30, 2016 and May 31, 2016 had maturities of less than one year. The tables below analyze the Fund's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts in the tables are the contractual undiscounted amounts.

**As at November 30, 2016:**

Financial liabilities	On Demand	less than 3 months	Total
Distributions payable to unitholders	\$ -	\$ 453,184	\$ 453,184
Other accounts payable and accrued expenses	-	261,323	261,323
Management fees payable	-	37,094	37,094
<b>Total</b>	<b>\$ -</b>	<b>\$ 751,601</b>	<b>\$ 751,601</b>

**As at May 31, 2016:**

<b>Financial liabilities</b>	<b>On Demand</b>	<b>less than 3 months</b>	<b>Total</b>
Distributions payable	\$ –	\$ 589,217	\$ 589,217
Other accounts payable and accrued expenses	–	166,907	166,907
Management fees payable	–	47,672	47,672
<b>Total</b>	<b>\$ –</b>	<b>\$ 803,796</b>	<b>\$ 803,796</b>

The tables below summarize the Fund's exposure of liquidity rate risk of Trust through Forward Agreement at fair value.

**As at November 30, 2016:**

<b>Financial liabilities</b>	<b>On Demand</b>	<b>less than 3 months</b>	<b>Total</b>
Leverage	\$ –	\$ 40,875,840	\$ 40,875,840
Payable on investment purchases	–	4,921,600	4,921,600
Other accounts payable and accrued expenses	–	237,803	237,803
Management fees payable	–	52,110	52,110
Unrealized loss on foreign currency forward contracts	–	–	–
<b>Total</b>	<b>\$ –</b>	<b>\$ 46,087,353</b>	<b>\$ 46,087,353</b>

**As at May 31, 2016:**

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

**Market risk**

Market price risk is the risk that the 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), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value. The Fund's equity instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

If equity prices had increased or decreased by 10% on November 30, 2016, all other variables held constant, the net assets of the Fund would have increased or decreased, respectively, by approximately \$8,000 (\$8,000 as of May 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

**17 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)</b>	
<b>Net gains (losses) on financial instruments at FVTPL</b>	<b>November 30, 2016</b>	<b>November 30, 2015</b>
<b>Financial Assets and Liabilities at FVTPL:</b>		
Held for Trading	–	–
Designated at inception	4,391,195	(3,136,821)
<b>Total financial assets and liabilities at FVTPL</b>	<b>4,391,195</b>	<b>(3,136,821)</b>



18 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 Manager**  
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)



#### Mailing Address

77 King Street West

Suite2110, PO Box 92

Toronto -Dominion Centre Toronto,

ON M5K 1G8

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

Inquiries: 1-800-513-3868

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