

# CWB Onyx Diversified Income Fund

## 2025 Interim Financial Statements

For the Six Months Ended June 30, 2025  
(unaudited)



# CWB Onyx Diversified Income Fund

Statements of Financial Position

As at June 30, 2025 and December 31, 2024

(unaudited)

	June 30, 2025	December 31, 2024
<b>Assets</b>		
Cash	\$ 1,449,017	\$ 2,564,364
Subscriptions receivable	86,292	176,318
Interest receivable	1,157,445	1,203,351
Dividends receivable	9,910	10,251
Investments at fair value through profit or loss	174,096,278	186,388,138
Due from CWB Wealth Management Ltd. (note 3)	6,079	10,665
	<u>176,805,021</u>	<u>190,353,087</u>
<b>Liabilities</b>		
Redemptions payable	87,659	134,486
Distributions payable	855	120,982
Accrued liabilities	11,534	3,706
	<u>100,048</u>	<u>259,174</u>
<b>Net assets attributable to holders of redeemable units</b>	<u>\$ 176,704,973</u>	<u>\$ 190,093,913</u>
<b>Represented by</b>		
Series A	\$ 9,172,380	\$ 13,187,665
Series O	167,532,593	176,906,248
	<u>\$ 176,704,973</u>	<u>\$ 190,093,913</u>
<b>Redeemable units outstanding (note 5)</b>		
Series A	973,115	1,404,319
Series O	17,690,080	18,670,607
	<u>17,690,080</u>	<u>18,670,607</u>
<b>Net assets attributable to holders of redeemable units per unit (note 5)</b>		
Series A	\$ 9.43	\$ 9.39
Series O	<u>9.47</u>	<u>9.48</u>

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

Approved by CWB Wealth Management Ltd. in its capacity as manager of CWB Onyx Diversified Income Fund



James Andrews  
President & Chief Executive Officer



Sebastien Rene  
VP Accounting, Financial Markets & Subsidiaries

# CWB Onyx Diversified Income Fund

Statements of Comprehensive Income

For the six months ended June 30, 2025 and 2024

(unaudited)

	June 30, 2025	June 30, 2024
<b>Revenue</b>		
Interest for distribution purposes	\$ 3,542,220	\$ 3,670,697
Dividends	74,571	92,723
Foreign exchange (loss) gain	(17,658)	59,246
Net realized gain (loss) on sale of investments	331,574	(2,077,392)
Net change in unrealized (depreciation) appreciation in value of investments	(372,123)	1,365,377
<b>Total revenue</b>	<u>3,558,584</u>	<u>3,110,651</u>
<b>Expenses</b>		
Management fees (note 3)	59,139	69,276
Administration fees	2,066	1,956
Record keeping	1,510	1,848
Research fees	2,065	1,811
Custodian fees	837	966
Legal fees	1,269	1,297
Audit fees	383	441
Trustee fees	54	127
Independent Review Committee fees	327	193
Transaction fees	75	102
Other	521	422
<b>Total expenses before fee refund</b>	<u>68,246</u>	<u>78,439</u>
Management fees refunded (note 3)	(3,269)	(4,274)
<b>Total expenses</b>	<u>64,977</u>	<u>74,165</u>
<b>Increase in net assets attributable to holders of redeemable units before withholding taxes</b>	\$ 3,493,607	\$ 3,036,486
Withholding tax expense (note 4)	-	4,575
<b>Increase in net assets attributable to holders of redeemable units</b>	<u>\$ 3,493,607</u>	<u>\$ 3,031,911</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		
Series A	\$ 146,320	\$ 145,397
Series O	3,347,287	2,886,514
	<u>\$ 3,493,607</u>	<u>\$ 3,031,911</u>
<b>Increase in net assets attributable to holders of redeemable units per unit</b>		
Series A	\$ 0.12	\$ 0.10
Series O	<u>0.18</u>	<u>0.15</u>

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

# CWB Onyx Diversified Income Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2025 and 2024

(unaudited)

	June 30, 2025	June 30, 2024
<b>Series A</b>		
<b>Net assets attributable to holders of redeemable units – Beginning of period</b>	\$ 13,187,665	\$ 13,656,655
Increase in net assets attributable to holders of redeemable units	146,320	145,397
<b>Distributions to unitholders of redeemable units</b>		
From net investment income	(145,815)	(173,170)
From management fees refunded (note 3)	(3,269)	(4,274)
	<u>(149,084)</u>	<u>(177,444)</u>
<b>Redeemable unit transactions (note 5)</b>		
Issuance of redeemable units	489,680	644,161
Reinvested distributions from holders of redeemable units	149,084	177,444
Redemption of redeemable units	(4,651,285)	(1,540,936)
	<u>(4,012,521)</u>	<u>(719,331)</u>
<b>Net (decrease) in net assets attributable to holders of redeemable units</b>	<u>(4,015,285)</u>	<u>(751,378)</u>
<b>Net assets attributable to holders of redeemable units – End of period</b>	<u>\$ 9,172,380</u>	<u>\$ 12,905,277</u>
<b>Series O</b>		
<b>Net assets attributable to holders of redeemable units – Beginning of period</b>	\$ 176,906,248	\$ 169,111,904
Increase in net assets attributable to holders of redeemable units	3,347,287	2,886,514
<b>Distributions to unitholders of redeemable units</b>		
From net investment income	(3,414,939)	(3,462,737)
	<u>(3,414,939)</u>	<u>(3,462,737)</u>
<b>Redeemable unit transactions (note 5)</b>		
Issuance of redeemable units	11,447,454	23,193,672
Reinvested distributions from holders of redeemable units	3,188,397	3,212,953
Redemption of redeemable units	(23,941,854)	(26,264,503)
	<u>(9,306,003)</u>	<u>142,122</u>
<b>Net (decrease) in net assets attributable to holders of redeemable units</b>	<u>(9,373,655)</u>	<u>(434,101)</u>
<b>Net assets attributable to holders of redeemable units – End of period</b>	<u>\$ 167,532,593</u>	<u>\$ 168,677,803</u>

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

# CWB Onyx Diversified Income Fund

Statements of Cash Flows

For the six months ended June 30, 2025 and 2024

(unaudited)

	June 30, 2025	June 30, 2024
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 3,493,607	\$ 3,031,911
Adjustments for:		
Net realized (gain) loss on sale of investments	(331,574)	2,077,392
Foreign exchange loss (gain)	17,658	(59,246)
Net change in unrealized depreciation (appreciation) in value of investments	372,123	(1,365,377)
Purchase of investments	(27,430,374)	(58,372,252)
Proceeds from sale of investments	39,681,685	56,388,653
Interest receivable	45,906	(119,279)
Dividends receivable	341	103
Due from CWB Wealth Management Ltd.	4,586	(7,188)
Accrued liabilities	7,828	(269)
	<u>15,861,786</u>	<u>1,574,448</u>
<b>Cash flows (used in) financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(346,669)	(253,176)
Proceeds from issuances of redeemable units	12,027,160	24,509,050
Amounts paid on redemption of redeemable units	(28,639,966)	(27,400,268)
	<u>(16,959,475)</u>	<u>(3,144,394)</u>
Effect of foreign exchange fluctuations on cash	(17,658)	59,246
Net decrease in cash	(1,097,689)	(1,569,946)
Cash - Beginning of period	2,564,364	3,370,094
<b>Cash - End of period</b>	<u>\$ 1,449,017</u>	<u>\$ 1,859,394</u>
<b>Supplemental disclosure of cash flow information</b>		
Interest received	\$ 3,588,126	\$ 3,546,843
Dividends received, net of withholding taxes	74,912	92,826

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

# CWB Onyx Diversified Income Fund

## Schedule of Investment Portfolio

As at June 30, 2025

	Maturity Date	Par Value (\$)	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Short-term notes</b>					
Government of Canada Treasury Bill	10/22/2025	785,000	777,761	777,761	0.4
<b>Total short-term notes</b>			777,761	777,761	0.4
<b>Domestic bonds and debentures</b>					
<b>Corporate</b>					
2.590% 407 International Inc.	05/25/2032	777,000	692,111	732,409	0.4
3.465% Arc Resources Ltd.	03/10/2031	1,000,000	1,005,229	971,187	0.5
3.190% Bank of Montreal, Senior Unsecured Note	03/01/2028	3,441,000	3,523,386	3,449,601	2.0
3.700% Bank of Nova Scotia, Junior Subordinated Debt	07/27/2081	1,700,000	1,527,625	1,530,092	0.9
7.850% Bell Canada, Senior Unsecured Note	04/02/2031	1,578,000	2,232,706	1,845,595	1.0
3.600% Bell Canada, Senior Unsecured Note	09/29/2027	650,000	661,617	654,240	0.4
3.000% Bell Canada, Senior Unsecured Note	03/17/2031	316,000	293,910	301,540	0.2
3.000% Canadian National Railway, Senior Unsecured Note	02/08/2029	1,000,000	995,380	994,491	0.6
5.372% Canadian Tire Corp Ltd., Senior Unsecured Note	09/16/2030	325,000	325,000	345,460	0.2
6.250% Canadian Tire Corp Ltd., Senior Unsecured Note	04/13/2028	800,000	953,032	855,058	0.5
5.395% Coastal Gaslink Pipeline LP	09/30/2036	3,482,000	3,763,694	3,771,996	2.1
3.327% Co-operators Financial Services Ltd., Senior Unsecured Note	05/13/2030	2,672,000	2,662,170	2,589,218	1.5
5.183% CU Inc., Senior Unsecured Note	11/21/2035	1,220,000	1,520,568	1,311,426	0.7
2.460% Daimler Trucks Finance Canada Inc., Senior Unsecured Note	12/15/2026	1,500,000	1,512,450	1,485,197	0.8
5.180% Daimler Trucks Finance Canada Inc., Senior Unsecured Note	09/19/2025	1,200,000	1,199,796	1,205,111	0.7
5.375% Enbridge Inc., Subordinated Debt	09/27/2077	1,750,000	1,631,250	1,770,699	1.0
5.750% Enbridge Inc., Sr. Unsecured Note	09/02/2039	2,179,000	2,184,665	2,296,904	1.3
5.650% Epcor Utilities, Sr. Unsecured Note	11/16/2035	3,776,000	4,401,096	4,206,671	2.4
4.700% Fairfax Financial Holdings Ltd., Senior Unsecured Note	12/16/2026	500,000	506,821	508,859	0.3
4.250% Fairfax Financial Holdings Ltd.	12/06/2027	400,000	400,044	407,957	0.2
4.230% Fairfax Financial Holdings Ltd., Senior Unsecured Note	06/14/2029	900,000	899,568	919,130	0.5
3.950% Fairfax Financial Holdings Ltd.	03/03/2031	1,000,000	962,690	1,001,282	0.6
5.581% Ford Credit Canada Co.	02/22/2027	1,000,000	1,003,590	1,013,866	0.6
7.100% Greater Toronto Airports, Medium Term Note	06/04/2031	3,848,000	5,011,532	4,510,620	2.6
1.646% Honda Canada Finance Inc., Senior Unsecured Note	02/25/2028	4,782,000	4,578,654	4,607,296	2.6
2.945% Intact Financial Corp.	12/16/2050	1,000,000	651,040	740,087	0.4
2.850% Intact Financial Corp., Senior Unsecured Debt	06/07/2027	925,000	916,014	921,329	0.5
5.160% Intact Financial Corp., Senior Unsecured Debt	06/16/2042	633,000	745,965	665,383	0.4
7.338% Intact Financial Corp., Jr. Subordinated Debt	06/30/2083	700,000	700,000	740,043	0.4
4.125% Intact Financial Corp., Subordinated Debt	03/31/2081	1,400,000	1,334,375	1,390,264	0.8
5.095% Laurentian Bank of Canada, Subordinated Debt	06/15/2032	1,500,000	1,458,750	1,492,542	0.8
6.540% Loblaw Companies Ltd., Senior Unsecured Note	02/17/2033	1,762,000	2,295,680	2,001,980	1.1
3.375% Manulife Financial Corp., Junior Subordinated Debt	06/19/2081	1,000,000	995,500	902,080	0.5
4.100% Manulife Financial Corp., Junior Subordinated Debt	03/19/2082	1,500,000	1,485,750	1,330,692	0.8
5.030% Metro Inc., Senior Unsecured Note	12/01/2044	2,293,000	2,742,702	2,312,366	1.3
4.050% National Bank of Canada, Junior Subordinated Debt	08/15/2081	2,000,000	2,004,500	1,893,516	1.1
4.050% North West Redwater PT	07/22/2044	1,587,000	1,391,363	1,447,380	0.8
5.610% Nova Scotia Power Inc., Senior Unsecured Note	06/15/2040	2,058,000	2,577,708	2,198,417	1.2

# CWB Onyx Diversified Income Fund

Schedule of Investment Portfolio ...continued

As at June 30, 2025

	Maturity Date	Par Value (\$)	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Corporate ...continued</b>					
5.100% Peel Ontario, Senior Unsecured Note	06/29/2040	3,382,000	4,409,542	3,621,585	2.0
4.386% Oxford Properties Group Trust	06/04/2032	900,000	916,830	914,116	0.5
4.240% Pembina Pipeline Corp., Senior Unsecured Note	06/15/2027	578,000	595,146	586,732	0.3
4.810% Pembina Pipeline Corp., Senior Unsecured Note	03/25/2044	2,462,000	2,423,687	2,322,975	1.3
4.800% Pembina Pipeline Corp., Subordinated Debt	01/25/2081	1,000,000	984,250	980,959	0.6
3.650% Rogers Communications Inc., Senior Unsecured Note	03/31/2027	1,000,000	1,075,496	1,005,515	0.6
6.560% Rogers Communications Inc., Senior Unsecured Note	03/22/2041	2,018,000	2,541,091	2,310,110	1.3
5.000% Rogers Communications Inc., Subordinated Debt	12/17/2081	1,200,000	1,198,750	1,204,096	0.7
3.650% Royal Bank of Canada, Junior Subordinated Debt	11/24/2081	2,000,000	1,994,000	1,799,269	1.0
4.950% Sagen MI Canada Inc., Subordinated Debt	03/24/2081	568,000	572,970	541,201	0.3
5.650% Scotiabank Capital Trust, Junior Subordinated Debt	12/31/2056	525,000	628,289	558,998	0.3
3.600% Sun Life Financial Inc., Junior Subordinated Debt	06/30/2081	750,000	753,750	675,314	0.4
4.750% Telus Corp., Senior Unsecured Note	01/17/2045	2,419,000	2,161,689	2,293,197	1.3
4.400% Telus Corp., Senior Unsecured Note	01/29/2046	734,000	717,060	664,228	0.4
3.600% Toronto Dominion Bank, Junior Subordinated Debt	10/31/2081	2,000,000	1,997,500	1,797,944	1.0
7.232% Toronto Dominion Bank, Junior Subordinated Debt	12/31/2049	1,000,000	1,005,000	1,051,540	0.6
4.859% Toronto Dominion Bank, Subordinated Debt	03/04/2031	655,000	730,425	662,748	0.4
5.750% Toronto Dominion Bank, Junior Subordinated Debt	12/31/2049	1,000,000	1,000,000	991,610	0.6
7.794% TransCanada Pipelines, Junior Subordinated Debt	05/15/2067	190,000	201,160	239,579	0.1
4.330% TransCanada Pipelines, Senior Unsecured Debt	09/16/2047	750,000	786,759	669,585	0.4
4.650% TransCanada Trust, Junior Subordinated Debt	05/18/2077	1,800,000	1,719,300	1,797,851	1.0
			92,160,625	88,011,136	49.8
<b>Federal</b>					
4.250% Canada Housing Trust	12/15/2028	12,351,000	12,623,709	12,951,370	7.4
5.750% Government of Canada	06/01/2033	278,000	396,418	327,961	0.2
1.500% Government of Canada	12/01/2044	1,088,500	1,604,710	1,513,273	0.9
4.681% Government of Canada, Real Return Bond	12/01/2031	360,000	758,481	760,261	0.4
0.500% Government of Canada, Real Return	12/01/2050	1,670,000	1,566,106	1,598,316	0.9
2.000% Government of Canada	06/01/2032	16,362,000	15,240,067	15,276,952	8.6
			32,189,491	32,428,133	18
<b>Provincial</b>					
3.450% Province of Alberta, Unsecured Note	12/01/2043	8,507,000	8,146,311	7,493,057	4.2
3.300% Province of Alberta, Unsecured Note	12/01/2046	229,000	188,221	192,445	0.1
3.200% Province of British Columbia, Unsecured Note	06/18/2044	6,653,000	5,722,964	5,615,114	3.2
3.000% Province of Manitoba, Debenture	06/02/2028	721,000	721,793	724,882	0.4
5.650% Province of New Brunswick, Unsecured Note	12/27/2028	419,000	511,058	457,082	0.3
2.100% Province of Nova Scotia, Unsecured Note	06/01/2027	900,000	843,184	890,274	0.5
4.600% Province of Ontario, Debenture	06/02/2039	5,257,000	5,407,477	5,476,629	3.1
4.500% Province of Quebec, Senior Unsecured Note	12/01/2026	600,000	1,166,903	1,140,271	0.6
0.000% Province of Quebec, Unsecured Note	12/01/2043	10,400,000	6,326,016	4,567,761	2.6
3.250% Province of Quebec, Unsecured Note	09/01/2032	6,922,000	6,575,313	6,835,352	3.9
5.000% Province of Saskatchewan, Unsecured Note	03/05/2037	6,252,000	7,377,210	6,787,757	3.9
			42,986,450	40,180,624	22.8
<b>Total domestic bonds and debentures</b>			167,336,566	160,619,893	91.0

# CWB Onyx Diversified Income Fund

Schedule of Investment Portfolio ...continued

As at June 30, 2025

	Maturity Date	Par Value (\$)	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Foreign bonds and debentures</b>					
4.700% Ally Financial, Junior Subordinated Note	12/31/2049	750,000	862,377	919,471	0.5
4.320% Anheuser-Busch Inbev Finance Inc., Senior Unsecured Note	05/15/2047	500,000	508,661	467,776	0.3
4.625% BNP Paribas, Junior Subordinated Debt	12/31/2049	750,000	943,212	912,978	0.5
2.538% BNP Paribas	07/13/2029	1,500,000	1,502,110	1,454,405	0.8
4.750% Credit Agricole SA	12/31/2049	750,000	847,610	958,591	0.5
5.070% Citigroup Inc., Subordinated Debt	04/29/2028	750,000	750,000	773,568	0.4
2.599% Goldman Sachs Group Inc., Senior Unsecured Note	11/30/2027	1,500,000	1,518,450	1,488,131	0.8
7.700% Intesa Sanpaolo SPA, Junior Subordinated Debt	12/31/2049	500,000	646,243	685,214	0.4
3.650% JPMorgan Chase & Co., Junior Subordinated Debt	12/31/2049	750,000	929,936	1,008,811	0.6
5.125% Vodafone Group PLC., Jr.Subordinated Debt	06/04/2081	500,000	612,034	517,783	0.3
5.083% Wells Fargo & Co., Senior Unsecured Debt	04/26/2028	1,000,000	1,000,550	1,031,811	0.6
<b>Total foreign bonds and debentures</b>			<u>10,121,183</u>	<u>10,218,539</u>	<u>5.7</u>
<b>Preferred shares</b>					
5.000% AltaGas Ltd., Preferred Series A		20,000	295,800	453,600	0.3
3.370% BCE Inc., Preferred Series 17		35,200	684,874	626,560	0.4
5.540% BCE Inc., Preferred Series AC		18,800	314,647	348,740	0.2
2.750% Brookfield Asset Management Inc., Preferred Series 52		2,000	22,320	29,300	-
5.000% Brookfield Asset Management Inc., Preferred Series 44		2,000	50,186	50,360	-
6.450% Brookfield Asset Management Inc., Preferred Series 51		27,500	490,689	424,875	0.2
4.000% Enbridge Inc., Preferred Series R		8,300	133,233	181,770	0.1
4.900% Royal Bank of Canada, Preferred Series BH		6,800	165,721	170,000	0.1
0.620% Sun Life Financial Inc., Preferred Series 9QR		11,200	163,456	194,880	0.1
<b>Total preferred shares</b>			<u>2,320,926</u>	<u>2,480,085</u>	<u>1.4</u>
<b>Total investments at fair value through profit or loss</b>			<u>180,556,436</u>	<u>174,096,278</u>	<u>98.5</u>
<b>Other assets less liabilities</b>				<u>2,608,695</u>	<u>1.5</u>
<b>Total net assets</b>				<u>176,704,973</u>	<u>100.0</u>

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – Fund Specific Information

For the six months ended June 30, 2025 and 2024

(unaudited)

The Fund Specific Information related to CWB Onyx Diversified Income Fund (the Fund) contained herein should be read in conjunction with the “Notes to the Financial Statements – General Information” related to all CWB Onyx Portfolio Series beginning on page 13.

## 1 Investment objective

The Fund’s investment objective is to provide investors with income and some capital appreciation, while preserving principal and reducing volatility. To achieve this objective, the Fund invests primarily in a diversified portfolio of fixed income securities and preferred shares, with up to 30% in foreign securities to enhance portfolio yield and reduce risk.

## 2 Financial risk management

Specific financial risks applicable to the Fund are discussed in detail below. For a comprehensive discussion of the risks applicable to the Fund, refer to Note C under the “Notes to the Financial Statements – General Information” related to all CWB Onyx Portfolio Series.

### a) Currency risk

As at June 30, 2025, the Fund is exposed to the risk that the value of its U.S. denominated cash holdings and investments in bonds and debentures, which totaled \$6,117,480 or 3.5% (December 31, 2024 – \$5,403,468 or 2.8%) of net assets, will fluctuate due to changes in exchange rates. At the reporting date, if the Canadian dollar strengthened or weakened by 5% in relation to U.S. dollar currencies represented in the portfolio with all other factors remaining constant, net assets could have possibly increased or decreased by \$306,000 (December 31, 2024 – \$270,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### b) Interest rate risk

The following table summarizes the Fund’s exposure to interest rate risk categorized by the earlier of contractual re-pricing or maturity dates:

	Less than 3 months \$	From 3 to 12 months \$	From 12 months to 3 years \$	From 3 to 5 years \$	Over 5 years \$	Total \$
Investments as at June 30, 2025	1,205,111	777,761	21,544,586	19,365,696	128,723,038	171,616,192
Investments as at December 31, 2024	215,562	5,087,579	28,896,013	28,412,286	120,910,956	183,522,396

Based on the average effective duration of the portfolio, if the prevailing interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, net assets could possibly have been decreased or increased, respectively, by approximately \$13,695,000 (December 31, 2024 – \$13,452,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – Fund Specific Information

For the six months ended June 30, 2025 and 2024

(unaudited)

c) Price risk

The Fund's price risk is related to investments in a portfolio of preferred shares which represented 1.4% of net assets as at June 30, 2025 (December 31, 2024 – 1.5%). If preferred share prices on the stock exchanges in which they trade increased or decreased by 10%, with all other factors remaining constant, net assets could possibly have increased or decreased by approximately \$248,000 (December 31, 2024 – \$287,000). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

d) Credit risk

The following table summarizes the Fund's credit risk exposure related to investments in short-term notes, bonds and debentures, and preferred shares as a percentage of net assets grouped by credit ratings:

	June 30, 2025 % of net assets	December 31, 2024 % of net assets
<b>Credit Rating (DBRS)</b>		
AAA	20.8	19.9
AA	20.8	22.8
A	21.3	19.1
BBB	30.6	33.5
BB	5.0	2.8
	98.5	98.1

e) Liquidity risk

Redeemable units are redeemable on demand at the holder's option.

The Fund held no illiquid securities at the reporting date. All accrued liabilities come due within the next fiscal year.

f) Concentration risk

The following table summarizes the Fund's concentration risk by counterparty type related to investments in bonds, debentures, and preferred shares:

	June 30, 2025 % of net assets	December 31, 2024 % of net assets
<b>Bonds and debentures</b>		
Corporate	58.4	50.3
Provincial	22.8	22.9
Federal	9.8	17.0
Foreign	5.7	5.9
	96.7	96.1
<b>Preferred shares</b>	1.4	1.5
	98.1	97.6

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – Fund Specific Information

For the six months ended June 30, 2025 and 2024

(unaudited)

## 3 Related party transactions

The Fund is managed by CWB Wealth Management Ltd. (the Manager). Management fees paid by the Fund to the Manager for Series A units are calculated at a maximum of 1.00% per annum, before applicable sales taxes, of the daily net asset value of the Series A units. Series O unitholders negotiate a management fee that is paid directly to the Manager and not through the Fund. Annual management fees, administration costs and operating expenses (excluding withholding taxes) are capped at 1.25% of the net asset value of the applicable units. For the period ended June 30, 2025, Series A gross management fees incurred by the Fund totaled \$59,139 (2024 – \$69,276). The Manager did not waive any management fees during the periods ended June 30, 2025 and 2024. Actual administration and operating expenses, excluding management fees, charged to the Fund related to Series A units totaled \$8,970 (2024 – \$9,163) during the period ended June 30, 2025.

The Manager refunds a portion of management fees for employees of the Manager as well as employees of Canadian Western Bank, the Manager's parent company. This is achieved by refunding a portion of the management fees charged to the Fund based on the aggregate value of the investments held by employees. During the period ended June 30, 2025, the Manager refunded \$3,269 (2024 – \$4,274) in management fees, which were reinvested back into the Fund, related to Series A units.

As at June 30, 2025, 58,020 Series O units (December 31, 2024 – 48,436) and 178 Series A units (December 31, 2024 – 16,350) were held by key management personnel of the Manager and their immediate family members.

As at June 30, 2025, the CWB Onyx Balanced Solution Fund, CWB Onyx Conservative Solution Fund and CWB Onyx Growth Solution Fund, which are funds under common management, owned 1,527,823, 706,840 and 561,835 (December 31, 2024 -1,571,554, 668,347 and 629,548) Series O units of the Fund, respectively.

## 4 Income and withholding taxes

Non-capital losses are available to be carried forward for twenty years. Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. As at the tax year ended December 31, 2024, the Fund had allowable capital losses of \$5,200,811 (December 31, 2023 – \$4,183,243) and no non-capital losses (December 31, 2023 – nil) available for carry forward in future years.

Certain investment income and capital gains received by the Fund are subject to withholding tax imposed in the country of origin. 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. During the period ended June 30, 2025, the average withholding tax rate was nil (2024 – 1.37%).

## 5 Redeemable units

The following table summarizes unit transactions during the periods ended June 30, 2025 and 2024:

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – Fund Specific Information

For the six months ended June 30, 2025 and 2024

(unaudited)

	CWB Onyx Diversified Income Fund			
	Series A		Series O	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Redeemable units outstanding – Beginning of period	1,397,654	1,495,374	18,670,607	18,439,093
Issued for cash	51,429	71,218	1,203,013	2,541,008
Redeemed	(491,713)	(169,284)	(2,518,574)	(2,866,730)
Issued on reinvestment of distributions	15,745	19,551	335,034	352,197
Redeemable units outstanding – End of period	973,115	1,416,859	17,690,080	18,465,568

## 6 Fair value of financial instruments

For a general discussion of the Fund’s fair value measurements, refer to Note B(c) in the “Notes to the Financial Statements – General Information” related to all CWB Onyx Portfolio Series.

The following table illustrates the classification of the Fund’s financial instruments within the fair value hierarchy:

Investments at fair value through profit or loss as at June 30, 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Short-term notes	-	777,761	-	777,761
Domestic bonds and debentures	-	160,619,893	-	160,619,893
Foreign bonds and debentures	1,928,282	8,290,257	-	10,218,539
Preferred shares	2,480,085	-	-	2,480,085
	4,408,367	169,687,911	-	174,096,278

  

Investments at fair value through profit or loss as at December 31, 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Short-term notes	-	936,378	-	936,378
Domestic bonds and debentures	-	171,508,225	-	171,508,225
Foreign bonds and debentures	1,993,982	9,083,811	-	11,077,793
Preferred shares	2,838,742	27,000	-	2,865,742
	4,832,724	181,555,414	-	186,388,138

The carrying values of cash, subscriptions receivable, interest receivable, dividends receivable, amounts due from the Manager, redemptions payable, distributions payable and accrued liabilities approximate their fair values due to their short-term nature. The carrying amount of the Fund’s net assets attributable to holders of redeemable units approximates fair value as it is measured at the redemption amount and is classified as Level 2 within the fair value hierarchy. There were no transfers within the fair value hierarchy during the periods ended June 30, 2025 and December 31, 2024.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information

For the six months ended June 30, 2025 and 2024

*(unaudited)*

General Information related to the CWB Onyx Portfolio Series contained herein should be read in conjunction with the “Notes to the Financial Statements – Fund Specific Information” beginning on page 9.

## A General

The CWB Onyx Portfolio Series consists of the CWB Onyx Balanced Solution, the CWB Onyx Canadian Equity Fund, the CWB Onyx Conservative Solution, the CWB Onyx Diversified Income Fund, the CWB Onyx Global Equity Fund, the CWB Onyx Growth Solution, and the CWB Onyx North American Fund (collectively, the Funds).

CWB Onyx Balanced Solution, the CWB Onyx Canadian Equity Fund, the CWB Onyx Conservative Solution, the CWB Onyx Diversified Income Fund, the CWB Onyx Global Equity Fund, and the CWB Onyx Growth Solution, domiciled in Canada, were established on February 2, 2016 under the laws of Alberta pursuant to a master declaration of trust (the Declaration of Trust) between CWB Wealth Management Ltd., as manager and as trustee. RBC Investor Services Trust is the custodian and administrator of the Funds.

The CWB Onyx North American Fund (formerly the CWB Core Equity Fund) is domiciled in Canada. The CWB Onyx North American Fund is an open-ended mutual fund trust and was established by a Declaration of Trust made as of May 4, 2001, under the laws of Alberta. The initial units of the CWB Onyx North American Fund were issued to the public on August 10, 2001. Prior to March 1, 2017, Adroit Investment Management Ltd. (Adroit) acted as the Fund’s trustee, manager, distributor, and portfolio manager. On March 1, 2017, the Manager assumed these duties after amalgamating with Adroit. RBC Investor Services is the custodian and administrator of the Fund. The declaration of trust governing the CWB Onyx North American Fund was amended and restated on August 28, 2024 (i) to contemplate the issuance of unites in more than one series, and to reflect the designation of the outstanding units of the funds as Series A units of the fund, and (ii) to reflect an increase in the frequency of the valuation of the fund such that the net asset value of the fund and the net asset value per unit of each series of units of the Fund will be calculated on each day that the Toronto Stock Exchange is open for business. On August 28, 2024, the name of the CWB Core Equity Fund was changed to the CWB Onyx North American Equity Fund.

The Funds are authorized to issue an unlimited number of series and an unlimited number of units. Currently authorized series of units are as follows: Series A and Series O. A holder of units is entitled to one vote at any meeting of unitholders of the Fund or a meeting of unitholders of that specific series for each dollar in value of units owned on the relevant date. In addition, each unit of a series entitles the holder to participate equally with all other units of the series in the regular distribution of net income and net realized capital gains of the Fund allocated to the series.

Series O units are available to large private or institutional investors who satisfy certain criteria established by the Manager. No management fees or operating expenses (other than certain litigation related expenses, if any) are charged to the Funds with respect to Series O units. Instead, each Series O investor negotiates a separate fee that is paid directly to the Manager and the Manager pays the operating expenses of the Funds (other than certain litigation expenses, if any) with respect to Series O units. Series A units carry a management fee and operating expenses and are available to all investors. In all other respects the series are equal.

During the year, Canadian Western Bank (“CWB”), the parent company of CWB Wealth, announced it had entered into a definitive agreement with National Bank of Canada (“NBC”) to acquire all the issued and outstanding common shares of CWB. This transaction was completed on February 3, 2025 and CWB Wealth is now a wholly owned subsidiary of NBC.

The financial statements were authorized for issue by the Manager on August 29, 2025.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information  
For the six months ended June 30, 2025 and 2024

(unaudited)

## B Material accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) on a historic cost basis, except for the revaluation of investments at fair value through profit or loss.

### b) Use of estimates and significant judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements as well as the reported amount of revenues and expenses during the period.

Estimated and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Actual results may differ from these estimates.

### c) Financial instruments

#### i) Classification and measurement

##### Initial recognition and measurement

All financial instruments are measured at fair value on initial recognition. Subsequently, financial assets are to be classified into one of three categories: amortized cost, fair value through other comprehensive income, or fair value through profit or loss, based on the cash flow characteristics and the business model under which the assets are held.

##### Debt financial assets

A debt financial asset is classified and subsequently measured at amortized cost only if the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, the contractual terms whose objective give rise on specified dates to cash flows that are solely payments of principal and interest on the principle outstanding, and it is not designated as fair value through profit or loss.

A debt financial asset is classified and subsequently measured at fair value through other comprehensive income only if the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principle and interest on the principal amount outstanding, and it is not designated as fair value through profit or loss.

All other debt financial assets that do not meet the above criteria are classified as measured at fair value through profit or loss.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information  
For the six months ended June 30, 2025 and 2024

*(unaudited)*

## Equity instruments

Equity instruments are classified and measured at fair value through profit or loss unless an irrevocable election is made to designate non-trading instruments at fair value through other comprehensive income at the time of initial recognition. This election has not been made.

## Financial liabilities

A financial liability is generally measured at amortised cost, with exceptions that may allow for classification as fair value through profit or loss or designation at fair value through profit or loss. These exceptions include financial liabilities at fair value through profit or loss, such as derivatives that are liabilities, and financial liabilities that have been designated as measured at fair value through profit or loss.

### ii) Recognition

Financial assets at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Funds derecognize a financial asset or liability when their contractual obligations are discharged, cancelled or expire, the Funds' right to receive cash flows expire or the Fund has transferred substantially all rights and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Funds have not offset any financial instruments as at June 30, 2025 or December 31, 2024.

### iii) Financial assets at fair value through profit or loss

Significant judgement is applied to determine the classification of the Funds' investments. Based on each Fund's business model, the manner in which the investments are managed, and how performance is evaluated on a fair value basis, fair value through profit or loss is the most appropriate classification.

Investments are measured at fair value through profit or loss and are initially recorded at their fair value, being 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, with the difference between this amount and cost recorded as unrealized appreciation in value of investments in the Statements of Comprehensive Income. In the case of securities listed on stock exchanges, the fair value means the last close price. For short-term notes, bonds and debentures, the fair value means the close price provided by independent security pricing services. In circumstances where the last close price is not within the bid-ask spread, the Funds' Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Investments for which reliable quotations are not readily available are valued at their fair value as determined by the custodian, independent of the Funds' Manager, using a valuation technique that requires the use of inputs and assumptions based on observable market data. Such investment valuations may differ from values that would have been determined had a ready market existed, and the difference could be significant.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information

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The cost of investments represents the amount paid for each security and is determined on an average cost basis. Investment transactions are accounted for on a trade date basis, and transaction fees, being any costs that can be directly attributed to the acquisition or disposal of an investment, incurred in the purchase and sale of securities by the Funds are recognized in the Statements of Comprehensive Income.

iv) Financial assets at amortized cost

Financial assets at amortized cost, which are financial assets with fixed or determinable payments that are not quoted in an active market, are recognized initially at fair value plus directly attributable transaction costs. After initial recognition, these financial assets are measured at amortized cost, being the amount required to be received or paid, discounted, when appropriate, at the investment's effective interest rate, less impairment losses. The Funds' cash, subscriptions, dividends, and interest receivables as well as amounts due from CWB Wealth Management Ltd. are classified as financial assets at amortized cost.

Financial assets at amortized cost are assessed at each reporting date to determine whether there is objective evidence of impairment, including forward-looking information. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event had an impact on the estimated future cash flows of that asset that can be estimated reliably.

v) Financial liabilities

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost. Redemptions payable, distributions payable and accrued liabilities as well as amounts due to CWB Wealth Management Ltd. are classified as financial liabilities.

vi) Valuation models

The Funds are required to classify investments into three levels based on the method used to value the investments. Level 1 values are based on quoted prices in active markets for identical securities. Level 2 values are based on significant observable market inputs, such as quoted prices for similar securities and quoted prices in inactive markets. Level 3 values are based on significant unobservable inputs that reflect the Funds' determination of assumptions that market participants might reasonably use in valuing the securities. Refer to Note 6 in the "Notes to the Financial Statements – Fund Specific Information" for further information about the Fund's fair value measurements.

d) Cash and bank overdrafts

Cash is comprised of demand deposits with financial institutions. Outstanding bank overdraft balances are short-term in nature and used to accommodate unit redemption requests while the Funds effect an orderly liquidation of portfolio assets. Cash and bank overdrafts are carried at cost which approximates fair value.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information  
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*(unaudited)*

e) Redeemable units

In accordance with IFRS Accounting Standards, the Funds classify financial instruments issued as financial liabilities or equity instruments based on the substance of the contractual terms of the instruments. The Funds have multiple series that do not have identical features and therefore, their units do not qualify as equity under IFRS Accounting Standards. The Funds' redeemable units, which are classified as liabilities, are measured at the redemption amount and provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Funds' valuation policies at each redemption date. Units may be sold back to the Funds (the sale is called a 'redemption') at the then current Net Asset Value per Unit (NAVPU), upon the delivery of a redemption request to the Funds' Manager, together with any other documents the Manager may reasonably require. The NAVPU for the purposes of subscriptions or redemptions is computed by dividing the net asset value for the series by the total number of units of the series outstanding at such time. Net asset value utilizes closing price to determine fair value, except where the last traded price for financial assets is not within the bid-ask spread, which is consistent with the presentation of net assets in the financial statements. As at June 30, 2025 and December 31, 2024, there were no differences between the Funds' NAVPU and its net assets attributable to holders of redeemable units per unit calculated in accordance with IFRS Accounting Standards.

Distributions to holders of redeemable units are recognized in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units when they are authorized and no longer at the discretion of the Manager.

f) Income and expense recognition

Dividend income is recognized on the ex-dividend date. Interest income for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds accounted for on an accrual basis. Interest receivable is shown separately on the Statements of Financial Position based on the fixed income securities' stated rates of interest. The Funds amortize premiums paid or discounts received on the purchase of fixed income securities using the effective interest rate method. Realized gains and losses from the sale of investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments. All income, net realized gains (losses), unrealized appreciation in value, and transaction costs are attributable to investments.

The expenses of each Fund are allocated amongst the series of units on a series-by-series basis. Each series bears any expense that can be specifically attributed to that series. Common expenses, such as audit and custody fees, are allocated amongst the series on a pro rata basis relative to the net asset value of each series.

g) Functional and foreign currencies

The financial statements are presented in Canadian dollars, which is the Funds' functional and presentation currency.

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into Canadian dollars using the exchange rate prevailing at the period-end date.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information  
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(unaudited)

The Funds do not isolate the foreign exchange component from the total realized and unrealized gains and losses on investments. Foreign exchange gains and losses arising on the translation of foreign cash balances or on the settlement of foreign denominated receivables and amounts payable are recognized in the Statements of Comprehensive Income.

h) Increase in net assets attributable to holders of redeemable units per unit

Increase in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase in net assets attributable to holders of redeemable units for the period, divided by the weighted average number of units outstanding during the period.

i) Income and withholding taxes

The Funds qualify as mutual fund trusts, are subject to tax under the Income Tax Act (the Act) on all of their taxable income (including net taxable capital gains) and are permitted a deduction in computing taxable income for all amounts which are paid or payable in the year to their unitholders. It is the policy of each Fund to allocate to the unitholders all income of the Fund for the period so that it will not pay any Canadian federal income tax under Part I of the Act. Accordingly, no provision for income taxes has been made in these financial statements.

The Funds 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 Statements of Comprehensive Income, where applicable.

j) Future Accounting Changes

*IFRS 18 Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18) to improve reporting of financial performance. IFRS 18 replaces IAS 1 and carries forward many requirements from IAS 1 unchanged. The new accounting standard introduces changes to the structure of a company's income statement, more transparency in presentation of performance measures, and less aggregation of items into large, single numbers. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, however earlier application is permitted. The Manager is currently assessing the potential impacts on the financial statements.

*Classification and Measurement of Financial Instruments*

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance (ESG)-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income (FVOCI) and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Manager is assessing the impacts to the financial statements.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information  
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*(unaudited)*

## C Financial risk management

The following is a general discussion of the financial risks to which the Funds are exposed. Detailed financial risk information applicable to the Fund is included in Note 2 of the “Notes to the Financial Statements – Fund Specific Information”.

The Funds are exposed to a variety of financial risks, which are concentrated in their investment holdings. The Schedule of Investment Portfolio group securities by asset type, geographic region and market segment, where applicable.

The Funds’ risk management practice includes the monitoring of compliance with the investment guidelines contained in the Funds’ constating documents. The Manager manages the potential effects of financial risks on the Funds’ performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Funds’ positions and market events as well as diversifying investment portfolios within the constraints of the Funds’ investment guidelines. All investments result in a risk of loss of capital.

Unpredictable events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases, and similar public health threats may significantly affect the economy and the markets and issuers in which a fund invests. Certain events may cause instability across global markets, including reduced liquidity and disruptions in trading markets, while some events may affect certain geographic regions, countries, sectors and industries more significantly than others, and exacerbate other pre-existing political, social, and economic risks. The Fund’s performance could be negatively impacted if the value of a portfolio holding were harmed by such events.

### a) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. Foreign equities are exposed to currency risk as the prices denominated in foreign currencies are converted to the Funds’ functional currency in determining fair value.

The Funds may enter into forward currency contracts for economic hedging purposes to reduce foreign currency exposure or to establish exposure to foreign currencies.

### b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities. The Funds’ exposure to interest rate risk is concentrated in their investment in fixed income securities (bonds, debentures and short-term notes). Other assets and liabilities are short-term in nature and/or non-interest bearing.

The Funds’ policies require the Manager to manage risk by positioning the portfolios to take advantage of shifts in yield curve by emphasizing the segments fixed income securities within the term maturity that offer the best value and calculating the average duration of the portfolios of fixed income securities. The average effective duration of the Funds’ portfolios is a measure of the sensitivity of the fair value of the Funds’ fixed income securities to changes in market interest rates.

# CWB Onyx Diversified Income Fund

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*(unaudited)*

c) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

The Funds' policy is to manage price risk through diversification and selection of securities and other financial instruments within the limits specified in the Funds' constating documents. The Fund has adopted the standard investment restrictions and practices prescribed by Canadian securities regulation and, in addition, will restrict its investments to those prescribed under the Tax Act for Tax Deferred Plans.

d) Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty to a financial instrument not being able to meet its financial obligations in full when they fall due. The fair value of fixed income securities and preferred shares includes consideration of the credit worthiness of the issuer. The main concentration to which a Fund is exposed arises from the Funds' investments in fixed income securities and preferred shares. The Funds' exposure to counterparty credit risk on cash and other receivables is not significant. The carrying value of these financial instruments as recorded in the Statements of Financial Position reflects the Funds' maximum exposure to credit risk.

The risk management strategy for the Funds is to invest primarily in fixed income securities and preferred shares of higher credit quality issuers and to limit the amount of credit exposure with respect to any one corporate issuer. Credit risk is monitored by the Manager in accordance with the Funds' investment policies. The Funds have adopted the standard investment restrictions and practices prescribed by Canadian securities regulation and, in addition, will restrict its investments to those prescribed under the Tax Act for Tax Deferred Plans.

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

e) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with their financial liabilities that are settled by delivering cash or another financial asset. The Funds' exposure to liquidity risk is concentrated in the daily cash redemptions of units. The Funds primarily invest in securities that are traded in active markets and can be readily disposed. In addition, the Funds retain sufficient cash and short-term investment holdings to maintain liquidity. The Funds may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid.

# CWB Onyx Diversified Income Fund

Notes to the Financial Statements – General Information

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(unaudited)

f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Funds' policy is to manage concentration risk through appropriate diversification within the limits specified in the Funds' constating documents.

## D Related party transactions

a) Management fees

Management fees are paid in respect of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements relating to the purchase and sale of the investment portfolio, making arrangements for the purchase and sale of units of the Funds by investors and ensuring compliance with the Funds' constating documents. For Series A units, the management fee paid by each Fund is calculated daily as a percentage of the net asset value of Series A units of the Fund and paid monthly. No management fees are charged to the Funds with respect to Series O units. Instead, each Series O investor negotiates a separate fee that is paid directly to the Manager. The annual management fee paid by Series O unitholders will not exceed the annual management fee paid by Series A unitholders.

The Manager may also hire sub-advisors, including those that are related to the Manager, to manage the investment portfolios of the Funds. Any fees paid to sub-advisors are paid directly by the Manager, not the Funds.

At the Manager's discretion, management fees related to individual unitholders may be reduced depending on factors such as investment size or relationship with the unitholder. Refunded amounts are automatically reinvested in additional units of the relevant Fund. The refunded amounts are shown as management fees refunded on the Statements of Comprehensive Income.

b) Operating expenses

In addition to management fees, Series A units pay their direct or proportionate share of all operating and administrative costs including custodian, trustee, audit and legal fees, unitholder servicing costs and costs of preparing and filing financial and regulatory reports. The Manager has agreed to waive fees and expenses charged to Series A units in excess of a specified annual percentage of the net asset value of the series. If Series A fees and expenses are less than the specified percentage within 36 months of the date they were waived, the Manager has the right to seek reimbursement for previously waived costs. After December 31, 2024, the Manager may, but is not obligated to, reduce, or waive fees or operating expenses in respect of Series A units.

No operating expenses (other than certain litigation related expenses, if any) are charged to Series O.

# CWB Onyx Diversified Income Fund

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## **E Capital risk management**

The capital of the Funds is represented by the net assets attributable to holders of redeemable units with no par value. The amount of net assets attributable to holders of redeemable units can change significantly on a daily basis as the Funds are subject to daily subscriptions and redemptions at the discretion of unitholders. The Funds have no restrictions or specific capital requirements on the subscriptions and redemptions of units. The Funds' objective in managing the assets of the Funds is to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from redemptions.

In order to maintain or adjust the capital structure, the Funds' policy is to perform the following:

- monitor the level of daily subscriptions and redemptions relative to the liquid assets and adjust the amount of distributions the Funds pay to redeemable unitholders; and
- redeem and issue new units in accordance with the constitutional documents of the Funds, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Manager monitors capital on the basis of the value of net assets attributable to redeemable unitholders.