

Financial Statements
(Expressed in Canadian dollars)

**WAYPOINT ALL WEATHER
ALTERNATIVE FUND**
(FORMERLY ALL WEATHER FUND)

And Independent Auditors' Report thereon

Period from March 5, 2019 (commencement of
operations) to December 31, 2019



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of Waypoint All Weather Alternative Fund

Opinion

We have audited the financial statements of Waypoint All Weather Alternative Fund (formerly All Weather Fund) (the Entity), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of comprehensive loss for the period from March 5, 2019 (commencement of operations) to December 31, 2019
- the statement of changes in net assets attributable to holders of redeemable units for the period from March 5, 2019 (commencement of operations) to December 31, 2019
- the statement of cash flows for the period from March 5, 2019 (commencement of operations) to December 31, 2019
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2019, and its financial performance and its cash flows for the period from March 5, 2019 (commencement of operations) to December 31, 2019 in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 24, 2020

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Statement of Financial Position
(Expressed in Canadian dollars)

December 31, 2019

Assets

Cash (note 3)	\$ 3,614,388
Investments owned, at fair value through profit or loss (notes 3 and 7)	7,729,722
Interest and dividends receivable	38,633
Expense reimbursement receivable (note 8)	28,439
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	11,411,182

Liabilities

Investments sold short, at fair value through profit or loss (notes 3 and 7)	23,100
Accounts payable and accrued liabilities	47,782
Management fees payable (note 5)	14,114
Distributions payable	317
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	85,313

Net assets attributable to holders of redeemable units	\$ 11,325,869
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Net assets attributable to holders of redeemable units per class:	
Class A-OM	\$ 2,127,016
Class F-OM	3,186,545
Class W-OM	6,012,308
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	\$ 11,325,869

Number of redeemable units outstanding (note 6):	
Class A-OM	225,496
Class F-OM	337,710
Class W-OM	635,126

Net assets attributable to holders of redeemable units per unit:	
Class A-OM	\$ 9.43
Class F-OM	9.44
Class W-OM	9.47

See accompanying notes to financial statements.

Approved on behalf of the Manager:

Signed: Maxwell Torokvei Waypoint Investment Partners Inc., Manager

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Statement of Comprehensive Loss
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

Revenue:	
Interest income for distribution purposes	\$ 38,365
Dividends	191,433
Net change in unrealized depreciation in value of investments	(263,079)
Net realized loss on sale of investments, including foreign exchange adjustments	(292,281)
	<hr/>
	(325,562)
Expenses:	
Operating costs	47,239
Management fees (note 5)	36,404
Commissions and other transaction costs	18,110
Withholding taxes	4,614
Interest and bank charges	3,965
Custodian fees	2,395
	<hr/>
	112,727
Expense reimbursement (note 8)	(28,439)
	<hr/>
	84,288
	<hr/>
Decrease in net assets attributable to holders of redeemable units	\$ (409,850)
Decrease in net assets attributable to holders of redeemable units per class:	
Class A-OM	\$ (94,097)
Class F-OM	(119,008)
Class W-OM	(196,745)
	<hr/>
	\$ (409,850)
Decrease in net assets attributable to holders of redeemable units per unit (note 9):	
Class A-OM	\$ (0.55)
Class F-OM	(0.52)
Class W-OM	(0.42)

See accompanying notes to financial statements.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Distributions reinvested to holders of redeemable units	Decrease in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
Class A-OM	\$ –	\$ 2,319,289	\$ (98,176)	\$ (34,607)	\$ 34,607	\$ (94,097)	\$ 2,127,016
Class F-OM	–	3,306,000	(130)	(46,945)	46,628	(119,008)	3,186,545
Class W-OM	–	6,849,970	(640,917)	(121,685)	121,685	(196,745)	6,012,308
	\$ –	\$ 12,475,259	\$ (739,223)	\$ (203,237)	\$ 202,920	\$ (409,850)	\$ 11,325,869

See accompanying notes to financial statements.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Statement of Cash Flows
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

Cash provided by (used in):

Operating activities:

Decrease in net assets attributable to holders of redeemable units	\$	(409,850)
Adjustments for non-cash items:		
Commissions and other transaction costs		18,110
Net change in unrealized depreciation in value of investments		263,079
Net realized loss on sale of investments, including foreign exchange adjustments		292,281
Change in non-cash balances:		
Increase in interest and dividends receivable		(38,633)
Increase in expense reimbursement receivable		(28,439)
Increase in accounts payable and accrued liabilities		47,782
Increase in management fees payable		14,114
Proceeds from sale of investments		3,771,346
Purchase of investments		(12,057,370)
Net cash used in operating activities		(8,127,580)

Financing activities:

Proceeds from issue of redeemable units		12,475,259
Payment on redemption of redeemable units		(739,223)
Net cash provided by financing activities		11,736,036

Increase in cash

3,608,456

Foreign exchange gain on cash

5,932

Cash, beginning of period

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Cash, end of period

\$ 3,614,388

Supplemental cash flow information*:

Interest paid	\$	2,239
Interest received		38,365
Dividends received, net of withholding taxes		148,186

*Included as a part of cash flows from operating activities.

See accompanying notes to financial statements.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Schedule of Investment Portfolio

(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

Number of shares/units	Description	Average cost	Fair value	% of net asset value
Investments owned				
Canadian equities:				
32,509	Aimia Inc.	\$ 115,723	\$ 117,031	1.03
51,852	AirBoss of America Corp.	437,988	454,742	4.02
5,450	Brookfield Infrastructure Partners LP	298,522	353,487	3.12
19,525	Brookfield Property Partners LP	514,582	463,328	4.09
70,750	Chesswood Group Ltd.	718,654	720,943	6.37
75,877	Chorus Aviation Inc.	576,282	613,845	5.42
17,262	Corby Spirit and Wine Ltd.	306,886	265,490	2.34
9,528	Evertz Technologies Ltd.	157,829	170,170	1.50
19,100	Inter Pipeline Ltd.	422,282	430,514	3.80
37,291	Knight Therapeutics Inc.	285,131	282,666	2.50
5,500	Northland Power Inc.	133,375	149,600	1.32
11,083	Northland Power Inc.	273,351	301,458	2.66
20,015	Sienna Senior Living Inc.	375,997	365,474	3.23
12,500	SIR Royalty Income Fund	190,970	101,875	0.90
29,061	Sylogist Ltd.	332,069	286,251	2.53
12,296	The North West Co Inc.	362,945	336,050	2.97
111,039	The Westaim Corp.	300,918	294,253	2.60
51,021	VersaBank	371,945	385,209	3.40
14,164	Wajax Corp.	233,474	209,627	1.85
	Total Canadian equities	6,408,923	6,302,013	55.65
Canadian options:				
220,000	iShares S&P/TSX 60 Index ETF Put \$23.50 20MAR20	165,000	28,600	0.25
170,000	iShares S&P/TSX 60 Index ETF Put \$25 20MAR20	81,600	66,300	0.59
130,000	iShares S&P/TSX 60 Index ETF Put \$25.50 20MAR20	77,350	71,500	0.63
	Total Canadian options	323,950	166,400	1.47
U.S. equities:				
20,810	BSR Real Estate Investment Trust	295,179	314,258	2.77
19,250	Fairfax India Holdings Corp.	359,690	319,396	2.82
35,113	WPT Industrial Real Estate Investment Trust	633,919	627,655	5.54
	Total U.S. equities	1,288,788	1,261,309	11.13
	Total investments owned	\$ 8,021,661	\$ 7,729,722	68.25

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Schedule of Investment Portfolio (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

Number of shares/units	Description	Proceeds on short sale	Fair value	% of net asset value
Investments sold short				
Canadian option:				
(220,000)	iShares S&P/TSX 60 Index ETF Put \$20.50 20MAR20	\$ (44,000)	\$ (23,100)	(0.20)
Total investments sold short		\$ (44,000)	\$ (23,100)	(0.20)
Total investments owned		\$ 8,021,661	\$ 7,729,722	68.25
Total investments sold short		(44,000)	(23,100)	(0.20)
Commissions and other portfolio transaction costs		(7,960)	–	–
Net investments owned		<u>\$ 7,969,701</u>	7,706,622	68.05
Other assets, net			3,619,247	31.95
Net assets attributable to holders of redeemable units			\$ 11,325,869	100.00

See accompanying notes to financial statements.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

1. Establishment of Fund:

Waypoint All Weather Alternative Fund (formerly All Weather Fund) (the "Fund") is an open-ended trust established on February 1, 2019 under the laws of the Province of Ontario and is governed by a declaration of trust, as amended, restated or supplemented from time to time (the "Declaration of Trust"). The Fund commenced active operations on March 5, 2019. Prior to October 10, 2019, the Fund was named "All Weather Fund". Effective October 10, 2019, the Declaration of Trust was amended to change the name of the Fund to Waypoint All Weather Alternative Fund and the Fund filed a simplified prospectus with the provincial regulatory authority to become a mutual fund subject to the requirements of National Instrument 81-102 Investments Funds ("NI 81-102").

Waypoint Investment Partners Inc. (the "Manager" and "Trustee"), a corporation existing under the laws of the Province of Ontario, acts as the investment fund manager and the trustee of the Fund pursuant to the Declaration of Trust. The Manager has the exclusive authority to manage and direct the affairs of the Fund. The Manager's responsibilities include providing or causing to be provided to all investment advisory, accounting, legal, custodial and distribution services required by the Fund from time to time for its operation. The Manager may delegate any part of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

SGGG Fund Services Inc. (the "Administrator") acts as the administrator of the Fund. National Bank Independent Network, a division of National Bank Financial Inc., acts as the custodian (the "Custodian") of the Fund.

The address of the Fund's registered office is 1133 Yonge St, Suite 600, Toronto, Ontario, M4T 2Y7, Canada.

The Fund seeks to provide investors with attractive risk-adjusted investment returns over the long term by investing in, or obtaining exposure to, issuers that the Manager believes are not typically included in institutional investment mandates. The Fund may use alternative investment strategies including borrowing for investment purposes and the use of derivatives including options trading to seek to manage market volatility. The Fund's aggregate exposure to leverage through these strategies will not exceed three times its Net Asset Value ("NAV"), measured on a daily basis. The Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

1. Establishment of Fund (continued):

To achieve its investment objective, the Fund will invest primarily in equity securities which may, among other things, consist of common shares, partly-paid shares (installment receipts), equity and balanced mutual funds and ETFs, royalty trusts, real estate investment trusts ("REITs"), warrants and limited partnerships. The Fund focuses its investment portfolio on companies that the Manager believes are on the far edges of the investment spectrum such as companies that distribute a significant percentage of their free cash flow to shareholders and those that regularly access capital markets to accelerate their growth.

2. Basis of presentation:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The Fund reports under this basis of accounting as required by Canadian Securities Legislation and Canadian Accounting Standards Board.

The policies applied in these annual financial statements are based on IFRS issued and outstanding as of March 24, 2020 which is the date on which the annual financial statements were authorized for issue by the Manager.

The financial statements of the Fund are expressed in Canadian dollars.

3. Significant accounting policies:

The following is a summary of the significant accounting policies applied by the Fund:

(a) Classification of financial instruments:

The Fund classifies its investments as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

3. Significant accounting policies (continued):

The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments have been designated at FVTPL. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

All other financial assets and financial liabilities classified as subsequently measured at amortized cost and recorded at cost or amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate, minus any reduction for impairment. A financial asset is classified as subsequently measured at amortized cost only if both of the following criteria are met:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- (iii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Fund's accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its net asset value ("Trading NAV") for transactions with unitholders.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

3. Significant accounting policies (continued):

(b) Offsetting financial instruments:

Financial assets and financial liabilities are offset and the net amount reported in the statement 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. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

(c) Impairment of financial assets:

The Fund's other assets measured at amortized costs including interest and dividends receivable and expense reimbursement receivable are subject to IFRS 9, Financial Instruments ("IFRS 9"), expected credit loss model. The Fund applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected credit loss provision for all other assets. Impairment losses on financial assets at amortized cost, if any, are recognized in the statement of comprehensive loss.

(d) Recognition/derecognition:

The Fund recognizes financial assets and financial liabilities on the trade date - the date it commits to purchase or sell short the instruments. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statement of comprehensive loss.

Other financial assets are derecognized and only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

3. Significant accounting policies (continued):

(e) Net assets attributable to holders of redeemable units per unit:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular class or series of units by the total number of units of that particular class or series outstanding at the end of the period.

(f) Decrease in net assets attributable to holders of redeemable units per unit:

Decrease in net assets attributable to holders of redeemable units per unit is based on the decrease in net assets attributable to holders of redeemable units attributed to each class or series of units, divided by the weighted average number of units outstanding of that class or series during the period. Refer to note 9 for the calculation.

(g) Use of estimates:

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

3. Significant accounting policies (continued):

(h) Valuation of investments:

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's Offering Memorandum, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, 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. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial assets and financial liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

(i) Investment entity:

The Fund has determined that it is an investment entity as defined by IFRS 10, Consolidated Financial Statements ("IFRS 10") and the amendments to IFRS 10, as the following conditions exist:

- (i) The Fund has obtained funds from one or more investors for the purpose of providing those investors with investment management services;

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

3. Significant accounting policies (continued):

- (ii) The Fund has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (iii) The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

As an investment entity, the Fund is exempted from consolidating or applying IFRS 3, Business Combination, for the measurement of its investments in trusts and instead is required to measure such investments at FVTPL.

- (j) Investment transactions and revenue recognition:

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gain (loss) on sale of investments and unrealized appreciation (depreciation) in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

The interest income for distribution purposes shown on the statement of comprehensive loss represents the coupon interest received by the Fund accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight-line basis.

- (k) Translation of foreign currency:

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 4:00 pm Toronto Time (the "closing rate") on each Valuation Date (each day that the Toronto Stock Exchange is open for trading, or such other day(s) as the Manager may determine). Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

3. Significant accounting policies (continued):

(l) Transaction costs:

Transaction costs related to financial assets and liabilities are expensed as incurred.

(m) Purchase and redemption of redeemable units:

The value at which units are listed or redeemed is determined by dividing the net assets attributable to holders of redeemable units at fair value of the Fund by the total number of units outstanding on the Valuation Date. The Fund is valued weekly on the Valuation Date. Amounts received on the issuance of redeemable units and amounts paid on the redemption of redeemable units are added to or deducted from the statement of changes in net assets attributable to holders of redeemable units.

(n) Cash:

Cash is comprised of cash on deposit.

(o) Derivative transactions:

The Fund may use derivative contracts to manage risks associated with the investments. The derivatives are classified as FVTPL and, as a result, the contracts are measured at fair value on the Valuation Date and the resulting gains and losses, both realized and unrealized, are recognized in the statement of comprehensive loss.

(p) Other assets and liabilities:

Interest and dividends receivable, and expense reimbursement receivable are classified as subsequently measured at amortized cost and recorded at cost or amortized cost. Accounts payable and accrued liabilities, management fees payable and distributions payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of being incurred. Other assets and liabilities are short term in nature, and are carried at amortized cost which approximates fair value.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)

(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

4. Critical accounting estimates and judgments:

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

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Fund's investments are classified as FVTPL, per IFRS 9.

5. Related party transactions:

(a) Management fees:

The Fund pays the Manager a monthly management fee for providing its services to the Fund. Redeemable units of the Fund, other than Series I units and Series I-OM, are charged annual management fees equal to the following percentages of the Series NAV of the said series of the Fund, calculated and accrued on each Valuation Date and payable monthly:

Series A	1.75%
Series A-OM	1.00%
Series F	1.00%
Series F-OM	1.00%
Series F (US)-OM	1.00%
Series W-OM	Nil

For Series I units and Series I-OM units, no management fee is charged to the Fund as each investor negotiates a separate management fee with the Manager and pays it directly to the Manager. Management fees are subject to applicable taxes, including GST or HST.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

5. Related party transactions (continued):

(b) Performance fees:

The Manager receives performance fees from the Fund equal to 10% of any positive net returns (before sales tax) in excess of 10% for each calendar year attributable to each Series A-OM, Series F-OM and Series F (US)-OM units. The performance fees are accrued daily on each Valuation Date and are payable monthly. The performance fee resets at the start of each calendar year. Performance fees are subject to applicable taxes, including QST, GST or HST.

In the case of Series I units and Series I-OM units, performance fees, if any, are negotiated with each unitholder and paid directly to the Manager. No performance fee is charged to the Fund in respect of Series W-OM units.

The Manager receives a performance fee in respect of Series A and Series F units of the Fund, which is calculated and accrued for each such series each business day during the relevant Performance Fee Determination Period (as defined below). The Fund will pay the Manager a performance fee plus HST and any other applicable taxes for each Performance Fee Determination Period equal to 15% of the Net Profit (as defined below) of each of the applicable series of units, subject to the High Watermark (as defined below).

The "Performance Fee Determination Period" means (i) each calendar quarter for those investors that remain in the Fund at the end of the calendar quarter and (ii) the period from the beginning of a calendar quarter until the redemption date for those investors that redeem prior to the end of the calendar quarter. "Net Profit" means, in respect of each series of units of the Fund for any Performance Fee Determination Period, the amount calculated by deducting the relevant Series NAV per unit on the first business day of that Performance Fee Determination Period from the Series NAV per unit on the last business day of that Performance Fee Determination Period and multiplying the resulting amount by the total number of units of such series outstanding at the close of business on the last business day in that Performance Fee Determination Period. "High Watermark" means, in respect of each series of units of the Fund, the highest Series NAV per unit in respect of which a performance fee has been previously paid for that series, or the initial offering price of the units of such series if no performance fee has yet been paid in respect of such series.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

5. Related party transactions (continued):

No performance fee shall be paid in respect of a series unless the Series NAV per unit exceeds the High Watermark for that series and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark. The Manager may make such adjustments to the NAV and/or the calculation of the performance fee as may be determined by the Manager to be necessary to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the calculation of the performance fees.

(c) Management fee distribution:

The Manager reserves the right to offer a reduced management fee to selected investors in Series A and Series F units who (among other considerations) hold large investments in the Fund. This is achieved by reducing the management fee charged by the Manager to the Fund based on the aggregate NAV of the units held by such investor and the Fund distributing an amount equal to the reduction (a "Management Fee Distribution") to the investor. Management fee distributions are automatically reinvested in additional units of the same series of the Fund.

A management fee distribution results in the distribution of additional income, capital gains and/or capital to an investor. Management fee distributions are paid first out of income and capital gains of the Fund, and, thereafter, out of capital.

6. Redeemable units of the Fund:

An investment in the Fund is represented by units. The Fund is authorized to issue an unlimited number of classes (each, a "Class"), each issuable in an unlimited number of series (each, a "Series"). The Fund is authorized to issue an unlimited number of units within each Series. The Fund may offer new Classes or Series at any time. Holders of the units of a Series are unitholders (the "Unitholders"). The Manager has the power to determine the terms and conditions of each Series. Each unit of a Class or Series represents an undivided ownership interest in the assets attributable to that Class or Series of units of the Fund.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

6. Redeemable units of the Fund (continued):

All units of the same Class or Series have equal rights and privileges. Each whole unit of a particular Class or Series is entitled to one vote at meetings of Unitholders of the Fund where all Class or Series vote together, or to one vote at meetings of Unitholders where that particular Class or Series of Unitholders votes separately as a Class or Series. The Trustee, in its discretion, determines the number of Class or Series of units and establishes the attributes of each Class or Series. The Trustee may add additional Class or Series of units at any time without the prior approval of Unitholders, which may have the same or different rights from those of the existing Class or Series. The Trustee may also, upon providing a Unitholder with thirty (30) days' prior written notice, re-designate units of a Class or Series issued to the Unitholder as units of another Class or Series having an aggregate equivalent Class or Series Net Asset Value.

All units of the same Class or Series are entitled to participate pro rata: (i) in any payments or distributions made by the Fund to the Unitholders of the same Class or Series; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same Class or Series of net assets of the Fund remaining after satisfaction of outstanding liabilities of such Class or Series.

All units are fully paid and non-assessable when issued. There are no pre-emptive rights attaching to units. Units are transferable on the register of the Fund only by a registered Unitholder or his or her legal representative, subject to compliance with securities laws and the Declaration of Trust. Fractional units carry the same rights and are subject to the same conditions as whole units (other than with respect to voting rights) in the proportion which they bear to a whole unit. As of December 31, 2019, Series A-OM, Series F-OM and Series W-OM units have been issued. As of December 31, 2019, no Series A, Series F and Series W units had been issued.

Units may be purchased as of the close of business on each Valuation Date or on any other day as determined by the Manager, in its discretion.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

6. Redeemable units of the Fund (continued):

A Unitholder may redeem units at the applicable Class or Series Net Asset Value per unit on the Valuation Date. A notice of redemption must be delivered to the Manager or entered into FundSERV by 4:00pm on the Valuation Date on which the Unitholder wishes to redeem units, or such time as permitted by the Manager in its sole discretion. Redemption requests received or FundSERV redemption orders entered after that time will be effective for redemption following the next Valuation Date. The redemption proceeds less any short-term trading fee charges, are typically paid to a Unitholder within two business days of the applicable Valuation Date.

Investors in Series A and Series F units of the Fund must keep at least \$1,000 in their accounts. If the account falls below \$1,000, the Manager may notify the Unitholder and give 30 days to make another investment. If the account stays below \$1,000 after the end of the 30 days notice period, the Manager may redeem all of the units in the said account and send the proceeds to that Unitholder. In addition, the Manager reserves the right to redeem, without notice to the Unitholder, all of the Series I units if the investment in Series I units of the Fund falls below the negotiated minimum investment.

If a Unitholder redeems within 30 days of purchase of units, the Manager may charge and deduct from the redemption proceeds a short-term trading fee of up to 2% of the redemption amount on behalf of the Fund in circumstances where the Manager determines that the trading activity may represent market timing and/or excessive short-term trading.

The unit activity from the period from March 5, 2019 (commencement of operations) to December 31, 2019 is as follows:

	Redeemable units, beginning of period	Redeemable units issued	Redemption of redeemable units	Reinvestments of units	Redeemable units, end of period
Class A-OM	–	231,856	(10,029)	3,669	225,496
Class F-OM	–	332,781	(13)	4,942	337,710
Class W-OM	–	686,640	(64,369)	12,855	635,126

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

6. Redeemable units of the Fund (continued):

Distributions

For each taxation year, the Fund ensures that its income and net realized capital gains, if any, have been paid or made payable on or before December 31 to Unitholders to such an extent that the Fund will not be liable for ordinary income tax thereon. To the extent that the Fund has not distributed the full amount of its net income and capital gains for any year, the difference between such amount and the amount actually paid or made payable by the Fund will be paid in units. Any such units will be issued at a price equal to the NAV per unit of the relevant Class of the Fund and the units will be automatically consolidated such that the number of outstanding units of a Class held by each Unitholder following the distribution will equal the number of units of that Class held by such Unitholder prior to the distribution.

Capital disclosure

The capital of the Fund is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset attributable to holders of redeemable units per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

7. Financial instruments:

(a) Management of financial instrument risks:

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the type of securities in which it invests.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

7. Financial instruments (continued):

(b) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Fund primarily invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity. As at December 31, 2019, all financial liabilities of the Fund are due between one and three months.

(c) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any cash and cash equivalents invested at short-term market interest rates. As at December 31, 2019, the Fund did not have significant exposure to interest rate risk.

(d) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. Possible losses from short positions can be unlimited. The Fund's overall market positions are monitored on a regular basis by the Manager.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

7. Financial instruments (continued):

Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments. A 10% movement in stock prices could result in a \$770,662 change in net assets attributable to holders of redeemable units.

(e) Credit risk:

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

All transactions executed by the Fund 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.

As at December 31, 2019, the Fund did not have significant investments in debt instruments.

(f) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Fund. The Fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)

(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

7. Financial instruments (continued):

As at December 31, 2019, the currency risk related to the Fund is shown below:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-monetary	Total	Monetary	Non-monetary	Total
U.S. dollar	\$ (448,687)	\$ 1,261,309	\$ 812,622	\$ (22,434)	\$ 63,065	\$ 40,631
% of net assets attributable to holders of redeemable units	(3.96)	11.14	7.18	(0.20)	0.56	0.36

(g) Concentration risk:

Concentration risk arises because of the concentration exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following table is a summary of the Fund's concentration risk as a percentage of the Fund's net assets:

Market segment	Percentage of net assets of the Fund
Investments owned	
Communications	1.03
Consumer, cyclical	6.32
Consumer, non-cyclical	11.03
Energy	3.80
Financial	27.59
Exchange traded funds	1.47
Industrial	7.37
Technology	2.53
Utilities	7.10
	68.24
Investments sold short	
Exchange traded funds	(0.20)
Total investments	68.04
Other assets and liabilities	31.96
	100.00

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)

(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

7. Financial instruments (continued):

(h) Fair values of financial instruments:

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Assets				
Common stocks	\$ 7,563,322	\$ –	\$ –	\$ 7,563,322
Options	166,400	–	–	166,400
	<u>\$ 7,729,722</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 7,729,722</u>
Liabilities				
Options	\$ 23,100	\$ –	\$ –	\$ 23,100

There were no transfers between levels during the period ended December 31, 2019.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)
(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

8. Expenses:

The Fund pays its own organizational fees and expenses and the costs of the offering of its securities, including but without limitation, the fees and expenses of the Manager and fees and expenses of legal counsel and auditors. The Manager is entitled to be reimbursed for expenses incurred by it on behalf of each Fund in connection with such Fund's organization and offering of securities.

The Fund pays all of its operating expenses including, without limitation, expenses relating to: marketing and distribution; accounting, audit and legal fees and expenses; brokerage commission and fees and expenses; cost of portfolio transactions; operating, custodial and administration fees, costs and expenses; Unitholder reporting, meetings and other communications with Unitholders; interest and bank charges; regulatory filing fees; applicable taxes, assessments or other regulatory and governmental charges; and extraordinary expenses. The Fund is generally required to pay HST (and other applicable taxes, if any) at the applicable rate on most expenses that it pays.

Each Class is responsible for the operating expenses that relate to that particular Class and for its proportionate share of the operating expenses that are applicable to all the Classes of the applicable Fund. These specific expenses, unique to each Class, are payable from the assets attributed to that Class of the Fund.

The Manager may from time to time pay for certain operating expenses of the Fund to maintain the Fund's management expense ratio at a competitive level. During the period ended December 31, 2019, the Manager agreed to reimburse the Fund for expenses amounting to \$28,439 and the expense reimbursement receivable from the Manager at December 31, 2019 amounted to \$28,439.

WAYPOINT ALL WEATHER ALTERNATIVE FUND

(FORMERLY ALL WEATHER FUND)

Notes to Financial Statements (continued)

(Expressed in Canadian dollars)

Period from March 5, 2019 (commencement of operations) to December 31, 2019

9. Decrease in net assets attributable to holders of redeemable units per unit:

The decrease in net assets attributable to holders of redeemable units per unit for the period ended December 31, 2019 is calculated as follows:

	Decrease in net assets attributable to holders of redeemable units per class	Weighted average of redeemable units outstanding during the period	Decrease in net assets attributable to holders of redeemable units per unit
Class A-OM	\$ (94,097)	171,350	\$ (0.55)
Class F-OM	(119,008)	22,023	(0.52)
Class W-OM	(196,745)	464,284	(0.42)

10. Income taxes:

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act, and accordingly, is not subject to tax on its net taxable income for the tax year, which ends in December, including net realized capital gains, which is paid or payable to its Unitholders as at the end of the tax year. However, such part of the Fund's net income and net realized capital gains as is not so paid or payable, is subject to income tax. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur. It is the intention of the Fund to distribute all of its income and sufficient net realized capital gains so that the Fund will not be subject to income tax.

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

11. Subsequent event:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. We will continue to monitor the impact COVID-19 has on the Fund's investments and reflect the consequences as appropriate in our accounting and reporting.