

Financial Statements  
(Expressed in Canadian dollars)

# **WAYPOINT ALL WEATHER ALTERNATIVE FUND**

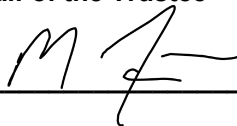
June 30, 2021 (Unaudited)

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by **Waypoint Investment Partners Inc.** in its capacity as the Trustee of the Fund. The Fund's Trustee is responsible for the information and representations contained in these financial statements.

The Trustee maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements made by the Trustee. The significant accounting policies that the Trustee believes are appropriate for the Fund are described in Note 3 to the unaudited interim financial statements.

On behalf of the Trustee

A handwritten signature in black ink, appearing to be 'M J', is written over a horizontal line.

August 25, 2021

Date

## NOTICE TO UNITHOLDERS

**The Auditors of the Trust have not reviewed these financial statements.**

Waypoint Investment Partners Inc, the Trustee of the Trust, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

## Statements of Financial Position

(Expressed in Canadian dollars)

As at June 30, 2021 (Unaudited)

	June 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 66,708,898	\$ 32,428,107
Investments owned, at fair value through profit or loss (note 7)	83,253,772	47,134,302
Interest and dividends receivable	301,715	88,512
Expense reimbursement receivable (note 8)	–	47,311
Subscriptions receivable	320,524	427,068
Receivable for investments sold	2,784,641	1,372,846
	<u>153,369,550</u>	<u>81,498,146</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Investments sold short, at fair value through profit or loss (note 7)	381,255	270,964
Accounts payable and accrued liabilities	92,727	166,136
Management fees payable (note 5)	124,304	62,177
Performance fees payable (note 5)	11,644	508,222
Payable for investments purchased	29,480	101,558
Distributions payable	–	104,311
Redemptions payable	32,841	–
	<u>672,251</u>	<u>1,213,368</u>
<b>Net assets attributable to holders of redeemable units</b>	<u>\$ 152,697,299</u>	<u>\$ 80,284,778</u>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A-OM	\$ 2,155,868	\$ 2,161,210
Series A	6,087,193	2,377,682
Series F-OM	2,411,789	2,415,979
Series F	122,238,923	57,432,830
Series I	12,653,359	8,903,088
Series A (US)-OM	61,995	–
Series F (US)-OM	1,382,605	1,147,690
Series W-OM	5,705,567	5,846,299
	<u>\$ 152,697,299</u>	<u>\$ 80,284,778</u>
<b>Number of redeemable units outstanding (note 6)</b>		
Series A-OM	191,831	203,213
Series A	537,718	219,052
Series F-OM	215,673	228,295
Series F	10,679,722	5,253,622
Series I	1,063,251	795,648
Series A (US)-OM	5,000	–
Series F (US)-OM	97,457	84,496
Series W-OM	503,401	548,588

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

## Statements of Financial Position (continued)

(Expressed in Canadian dollars)

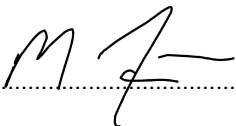
As at June 30, 2021 (Unaudited)

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	June 30, 2021	December 31, 2020
<b>Net assets attributable to holders of redeemable units per unit</b>		
Series A-OM	\$ 11.24	\$ 10.64
Series A	11.32	10.85
Series F-OM	11.18	10.58
Series F	11.45	10.93
Series I	11.90	11.19
Series A (US)-OM	12.40	—
Series F (US)-OM	14.19	13.58
Series W-OM	11.33	10.66
Series A (US)-OM (in U.S. dollars)	10.00	—
Series F (US)-OM (in U.S. dollars)	11.44	10.65

See accompanying notes to financial statements.

Approved on behalf of the Manager



..... Waypoint Investment Partners Inc., Manager

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

## Statements of Comprehensive Income (Loss)

(Expressed in Canadian dollars)

For the period ended June 30, 2021 (Unaudited)

	2021	2020
<b>Income</b>		
Interest income for distribution purposes	\$ 263,847	\$ 36,539
Dividends	617,697	152,376
Net change in unrealized appreciation (depreciation) in value of investments	3,245,884	(156,120)
Net realized gain on sale of investments, including foreign exchange adjustments	3,000,469	1,262,133
Other income	3,262	88
	<u>7,131,159</u>	<u>1,295,016</u>
<b>Expenses</b>		
Performance fees (note 5)	862,377	22,108
Management fees (note 5)	612,561	72,895
Commissions and other transaction costs	433,218	68,757
Operating costs	76,998	35,133
Custodian fees	15,224	3,300
Legal fees	10,353	–
Audit fees	5,900	–
Interest and bank charges	4,196	8,942
Withholding taxes	793	353
	<u>2,021,620</u>	<u>211,488</u>
Expense reimbursement (note 8)	–	(9,293)
	<u>2,021,620</u>	<u>202,195</u>
<b>Increase in net assets attributable to holders of redeemable units</b>	<u>\$ 5,109,539</u>	<u>\$ 1,092,821</u>
<b>Increase in net assets attributable to holders of redeemable units per series</b>		
Series A-OM	\$ 119,730	\$ 178,517
Series A	157,538	(156)
Series F-OM	140,318	227,161
Series F	3,488,940	106,885
Series I	771,283	48,476
Series A (US)-OM	302	–
Series F (US)-OM	55,339	–
Series W-OM	376,089	531,938
	<u>\$ 5,109,539</u>	<u>\$ 1,092,821</u>
<b>Increase in net assets attributable to holders of redeemable units per unit (note 9)</b>		
Series A-OM	\$ 0.61	\$ 0.81
Series A	0.39	(0.01)
Series F-OM	0.61	0.87
Series F	0.42	0.12
Series I	0.74	0.44
Series A (US)-OM	0.06	–
Series F (US)-OM	0.65	–
Series W-OM	0.71	0.94

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

(Expressed in Canadian dollars)

For the period ended June 30, 2021 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued*	Redemption of redeemable units*	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2021</b>					
Series A-OM	\$ 2,161,210	\$ –	\$ (125,072)	\$ 119,730	\$ 2,155,868
Series A	2,377,682	3,968,917	(416,944)	157,538	6,087,193
Series F-OM	2,415,979	86,872	(231,380)	140,318	2,411,789
Series F	57,432,830	66,993,050	(5,675,897)	3,488,940	122,238,923
Series I	8,903,088	3,666,200	(687,212)	771,283	12,653,359
Series A (US)-OM	–	61,693	–	302	61,995
Series F (US)-OM	1,147,690	253,034	(73,458)	55,339	1,382,605
Series W-OM	5,846,299	–	(516,821)	376,089	5,705,567
	<u>\$ 80,284,778</u>	<u>\$ 75,029,766</u>	<u>\$ (7,726,784)</u>	<u>\$ 5,109,539</u>	<u>\$ 152,697,299</u>

\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2021, were \$112,923 and \$(112,923), respectively.

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued**	Redemption of redeemable units**	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
<b>June 30, 2020</b>					
Series A-OM	\$ 2,127,016	\$ –	\$ (287,715)	\$ 178,517	\$ 2,017,818
Series A	–	622,944	(7,033)	(156)	615,755
Series F-OM	3,186,545	–	(1,154,417)	227,161	2,259,289
Series F	–	24,560,860	(13,252)	106,885	24,654,493
Series I	–	2,529,050	(16,000)	48,476	2,561,526
Series W-OM	6,012,308	689,999	(1,678,831)	531,938	5,555,414
	<u>\$ 11,325,869</u>	<u>\$ 28,402,853</u>	<u>\$ (3,157,248)</u>	<u>\$ 1,092,821</u>	<u>\$ 37,664,295</u>

\*\* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2020, were \$398,205 and \$(398,205), respectively.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

## Statements of Cash Flows

(Expressed in Canadian dollars)

For the period ended June 30, 2021 (Unaudited)

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating Activities</b>		
Increase in net assets attributable to holders of redeemable units	\$ 5,109,539	\$ 1,092,821
Adjustments for non-cash items		
Net change in unrealized (appreciation) depreciation in value of investments	(3,245,884)	156,120
Net realized gain on sale of investments, including foreign exchange adjustments	(3,000,469)	(1,262,133)
Change in non-cash balances		
(Increase) decrease in Interest and dividends receivable	(213,203)	15,404
Decrease (increase) in expense reimbursement receivable	47,311	(9,294)
(Decrease) increase in accounts payable and accrued liabilities	(73,409)	35,760
Increase in management fees payable	62,127	11,601
(Decrease) increase in performance fees payable	(496,578)	22,108
Proceeds from sale of investments	64,361,285	24,582,634
Purchase of investments	(95,546,713)	(27,307,120)
Cash used in operating activities	<u>(32,995,994)</u>	<u>(2,662,099)</u>
<b>Financing Activities</b>		
Proceeds from issue of redeemable units	75,023,387	27,671,678
Payment on redemption of redeemable units	(7,581,020)	(2,759,043)
Distributions to holders of redeemable units	(104,311)	(317)
Cash provided by financing activities	<u>67,338,056</u>	<u>24,912,318</u>
Increase in cash during the period	34,342,062	22,250,219
Foreign exchange loss on cash	(61,271)	(37,931)
Cash, beginning of period	<u>32,428,107</u>	<u>3,614,388</u>
<b>Cash, end of period</b>	<b>\$ <u>66,708,898</u></b>	<b>\$ <u>25,826,676</u></b>
<b>Supplemental information*</b>		
Interest paid	\$ -	\$ 3,521
Interest received	263,614	36,539
Dividends received, net of withholding taxes	403,933	167,427

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

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

## Schedule of Investment Portfolio

(Expressed in Canadian dollars)

As at June 30, 2021 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
<b>Canadian equities</b>				
127,722	AirBoss of America Corp.	\$ 1,844,352	\$ 4,534,130	2.97
91,811	Allied Properties Real Estate Investment Trust	3,376,974	4,136,085	2.71
936,500	Axis Auto Finance Inc.	292,881	421,425	0.28
289,951	Bird Construction Inc.	2,293,416	2,560,267	1.68
497,137	Canadian Net Real Estate Investment Trust	3,073,611	3,977,096	2.60
61,807	Capital Power Corp.	2,344,976	2,530,997	1.66
166,874	CI Financial Corp.	3,178,463	3,796,384	2.49
273,015	Doman Building Materials Group Ltd.	2,109,055	2,282,405	1.49
346,058	Evertz Technologies Ltd.	4,627,290	4,979,775	3.26
316,006	Dominion Lending Centres Inc.	1,218,766	1,257,704	0.82
344,362	Freshlocal Solutions Inc.	2,582,715	981,432	0.64
121,467	Home Capital Group Inc.	3,998,456	4,518,572	2.96
31,450	iA Financial Corp Inc.	2,218,458	2,122,561	1.39
75,375	Intertape Polymer Group Inc.	2,182,785	2,166,278	1.42
115,635	iShares S&P/TSX Global Gold Index ETF	2,497,464	2,129,997	1.39
180,386	Minto Apartment Real Estate Investment Trust	3,429,398	4,318,441	2.83
99,603	Pet Valu Holdings Ltd.	2,211,502	2,663,384	1.74
169,809	Real Matters Inc.	3,031,312	3,036,185	1.99
482,905	Rifco Inc.	343,607	463,589	0.30
108,165	RioCan Real Estate Investment Trust	1,918,659	2,388,283	1.56
600,000	Sangoma Technologies Corp. RSTD 1AUG21	1,830,000	1,914,000	1.25
77,367	SmartCentres Real Estate Investment Trust	1,964,953	2,272,269	1.49
42,287	Stella-Jones Inc.	2,034,212	1,887,269	1.24
74,503	Sylogist Ltd.	860,993	1,043,042	0.68
997,253	Titanium Transportation Group Inc.	3,734,625	3,500,358	2.29
171,589	Tricon Residential Inc.	2,219,844	2,446,859	1.60
400,665	VersaBank	3,272,206	5,961,895	3.90
187,258	WPT Industrial Real Estate Investment Trust	3,467,897	4,211,432	2.76
		<u>68,158,870</u>	<u>78,502,114</u>	<u>51.39</u>
<b>Canadian options</b>				
2,977,000	iShares S&P/TSX 60 Index ETF Call \$31 17SEP21	626,640	1,309,880	0.86
1,010,000	iShares S&P/TSX 60 Index ETF Put \$27.75 16JUL21	722,150	70,700	0.05
3,013,500	iShares S&P/TSX 60 Index ETF Put \$28.50 20AUG21	2,286,841	527,363	0.35
3,577,000	iShares S&P/TSX 60 Index ETF Put \$29 17DEC21	4,019,220	2,843,715	1.86
		<u>7,654,851</u>	<u>4,751,658</u>	<u>3.12</u>
	<b>Total investments owned</b>	75,813,721	83,253,772	54.51



# WAYPOINT ALL WEATHER ALTERNATIVE FUND

## Schedule of Investment Portfolio (continued)

(Expressed in Canadian dollars)

As at June 30, 2021 (Unaudited)

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
	<b>Canadian option</b>			
(3,631,000)	iShares S&P/TSX 60 Index ETF Put \$24 17DEC21	\$ (708,045)	\$ (381,255)	(0.25)
	<b>Total investments sold short</b>	(708,045)	(381,255)	(0.25)
	Commissions and other portfolio transaction costs	(195,741)	—	—
	<b>Net investments owned</b>	<b>\$ 74,909,935</b>	82,872,517	54.26
	<b>Other assets, net</b>		69,824,782	45.74
	<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 152,697,299</b>	<b>100.00</b>

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

Notes to Financial Statements  
(Expressed in Canadian dollars)

June 30, 2021 (Unaudited)

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## 1. Establishment of Fund:

Waypoint All Weather Alternative 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. The Fund is a mutual fund governed by a simplified prospectus and is subject to the requirements of National Instrument 81-102 *Investment 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 603, 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 will 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

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

June 30, 2021 (Unaudited)

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## 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, options 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 interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and International Accounting Standard 34, Interim Financial Reporting. The Fund reports under this basis of accounting as required by Canadian securities legislation and the Accounting Standards Board.

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 25, 2021, which is the date on which the interim 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

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

June 30, 2021 (Unaudited)

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### 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.

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
- (ii) 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 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 obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

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

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

June 30, 2021 (Unaudited)

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## 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 cost, including interest and dividends receivable, expense reimbursement receivable, subscriptions receivable and receivable for investments sold are subject to the expected credit loss model in IFRS 9, *Financial Instruments* ("IFRS 9"). 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 income.

### (d) Recognition/derecognition:

The Fund recognizes financial assets and financial liabilities at FVTPL on the trade date - the date it commits to purchase or sell short the instruments. Other financial assets and liabilities are recognized at fair value, including transaction costs, on the date on which they are originated. 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 income.

Other financial assets are derecognized when, 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 or cancelled or they expire.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 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 series of units by the total number of units of that particular series outstanding at the end of the period.

### (f) Increase (decrease) in net assets attributable to holders of redeemable units per unit:

Increase (decrease) in net assets attributable to holders of redeemable units per unit is based on the increase (decrease) in net assets attributable to holders of redeemable units attributed to each series of units, divided by the weighted average number of units outstanding of that 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.

### (h) Withholding tax expense:

The Fund generally incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 3. Significant accounting policies (continued):

### (i) 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 simplified prospectus, 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. 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.

### (j) 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

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

June 30, 2021 (Unaudited)

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### 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.

#### (k) 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 value of 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 income 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 of fixed income securities except for zero-coupon bonds which are amortized on a straight-line basis.

#### (l) 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

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

June 30, 2021 (Unaudited)

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### 3. Significant accounting policies (continued):

(m) Transaction costs:

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

(n) 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. Units of the Fund are valued daily on the Valuation Date, with the exception of the OM Series of units which are 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.

(o) Cash:

Cash is comprised of cash on deposit.

(p) 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 income.

(q) Other assets and liabilities:

Interest and dividends receivable, expense reimbursement receivable, subscription receivable, and receivable for investments sold are classified as financial assets, subsequently measured at amortized cost and recorded at cost or amortized cost. Accounts payable and accrued liabilities, management fees payable, payable for investments purchased, performance fees payable, distributions payable and redemptions 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

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

June 30, 2021 (Unaudited)

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## 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.

These financial statements include estimates and assumptions by management that affect the reported amount of assets, liabilities, income and expenses during the reporting period. Actual results could differ from these results. The global pandemic related to an outbreak of COVID-19 has cast additional uncertainty on the assumptions used by management in making its and estimates. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on financial results and condition of the fund in future periods. Given that the full extent of the impact that COVID-19, including government and/or regulatory responses to the outbreak, will have on the global economy and the Fund's business is uncertain and not predictable at this time, there is a higher level of uncertainty with respect to management's judgments and estimates.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 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, Series I-OM units and Series W-OM units, 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:

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

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For Series I units, Series I-OM units and Series W-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 QST, GST or HST.

Management fees for the period ended June 30, 2021, were \$612,561 (2020 - \$72,895), with \$124,304 payable as at June 30, 2021 (December 31, 2020 - \$62,177).

### (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 A (US)-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.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 5. Related party transactions (continued):

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 for each Performance Fee Determination Period equal to 15% of the Net Profit (as defined below) plus HST and any other applicable taxes of each of the applicable series of units, subject to the High-water Mark (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-water Mark" 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.

No performance fee shall be paid in respect of a Series unless the Series NAV per unit exceeds the High-water Mark 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-water Mark. 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.

Performance fees for the period ended June 30, 2021, were \$862,377 (2020 - \$22,108), with \$11,644 payable as at June 30, 2021 (December 31, 2020 - \$508,222).

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 5. Related party transactions (continued):

### (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.

Directors and employees of the Manager own units of the Fund representing 3.2% (December 31, 2020 – 2.4%) of the units outstanding.

## 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 series (each, a "Series"). The Fund is authorized to issue an unlimited number of units within each Series. The Fund may offer a new 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 Series represents an undivided ownership interest in the assets attributable to that Series of units of the Fund.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 6. Redeemable units of the Fund (continued):

All units of the same Series have equal rights and privileges. Each whole unit of a particular Series is entitled to one vote at meetings of Unitholders of the Fund where all Series vote together, or to one vote at meetings of Unitholders where that particular Series of Unitholders votes separately as a Series. The Trustee, in its discretion, determines the number of Series of units and establishes the attributes of each Series. The Trustee may add additional 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 Series. The Trustee may also, upon providing a Unitholder with thirty (30) days' prior written notice, re-designate units of a Series issued to the Unitholder as units of another Series having an aggregate equivalent Series Net Asset Value.

All units of the same Series are entitled to participate pro rata: (i) in any payments or distributions made by the Fund to the Unitholders of the same Series; and (ii) upon liquidation of the Fund, in any distributions to Unitholders of the same Series of net assets of the Fund remaining after satisfaction of outstanding liabilities of such 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 June 30, 2021, Series A-OM, Series A, Series F-OM, Series F, Series I, Series A (US)-OM, Series F (US)-OM and Series W-OM units have 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.

A Unitholder may redeem units at the applicable Series 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.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

## 6. Redeemable units of the Fund (continued):

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 them 30 days to make another investment. If the account stays below \$1,000 after the end of the 30-day notice period, the Manager may redeem all of the units in the 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 for the periods ended June 30, 2021 and 2020, is as follows:

	Redeemable units, beginning of period	Redeemable units issued	Redemptions of redeemable units	Redeemable units, end of period
<b>June 30, 2021</b>				
Series A-OM	203,213	–	(11,382)	191,831
Series A	219,052	355,736	(37,070)	537,718
Series F-OM	228,295	8,037	(20,659)	215,673
Series F	5,253,622	5,922,330	(496,230)	10,679,722
Series I	795,648	325,611	(58,008)	1,063,251
Series A (US)-OM	–	5,000	–	5,000
Series F (US)-OM	84,496	18,017	(5,056)	97,457
Series W-OM	548,588	–	(45,187)	503,401

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

## 6. Redeemable units of the Fund (continued):

	Redeemable units, beginning of period	Redeemable units issued	Redemptions of redeemable units	Redeemable units, end of period
<b>June 30, 2020</b>				
Series A-OM	225,496	–	(28,178)	197,318
Series A	–	58,905	(662)	58,243
Series F-OM	337,710	–	(116,852)	220,858
Series F	–	2,326,718	(1,255)	2,325,463
Series I	–	239,267	(1,506)	237,761
Series W-OM	635,126	67,116	(163,944)	538,298

### 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 Series of the Fund and the units will be automatically consolidated such that the number of outstanding units of a Series held by each Unitholder following the distribution will equal the number of units of that Series 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 endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.



# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 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 and 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 types of securities in which it invests.

### (b) 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.

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.

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. As at June 30, 2021, nil (December 31, 2020 - 1.25%) of the net assets of the Fund was invested in debt instruments that were not rated by credit rating agencies.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 7. Financial instruments (continued):

### (c) 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 June 30, 2021, and December 31, 2020, all financial liabilities of the Fund are due between one and three months.

### (d) 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 June 30, 2021, and December 31, 2020, the Fund did not have significant exposure to interest rate risk.

### (e) 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

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

June 30, 2021 (Unaudited)

## 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 \$8,287,252 (December 31, 2020 - \$4,445,709) change in net assets attributable to holders of redeemable units. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

### (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. As at June 30, 2021, 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
<b>June 30, 2021</b>						
U.S. dollar	\$ 2,632,027	\$ —	\$ 2,632,027	\$ 131,601	\$ —	\$ 131,601
	\$ 2,632,027	\$ —	\$ 2,632,027	\$ 131,601	\$ —	\$ 131,601
% of Net assets attributable to holders of redeemable units	1.7	—	1.7	0.1	—	0.1

As at December 31, 2020, 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
<b>December 31, 2020</b>						
U.S. dollar	\$ 2,451,876	\$ —	\$ 2,451,876	\$ 122,594	\$ —	\$ 122,594
	\$ 2,451,876	\$ —	\$ 2,451,876	\$ 122,594	\$ —	\$ 122,594
% of Net assets attributable to holders of redeemable units	3.1	—	3.1	0.2	—	0.2

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

## 7. Financial instruments (continued):

(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 attributable to holders of redeemable units	
	June 30, 2021	December 31, 2020
<b>Investments owned</b>		
Communications	1.25	3.69
Consumer, Cyclical	3.24	3.64
Consumer, Non-cyclical	–	4.76
Financial	27.70	30.19
Exchange Traded Funds	4.51	5.57
Industrial	12.85	7.92
Technology	3.31	2.90
Utilities	1.66	–
	54.52	58.67
<b>Investments sold short</b>		
Exchange Traded Funds	(0.25)	(0.34)
	(0.25)	(0.34)
Total net investments	54.27	58.33
Other assets and liabilities	45.73	41.67
	100.00	100.00

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 7. Financial instruments (continued):

### (h) Leverage risk:

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's aggregate gross exposure to underlying assets is greater than the amount invested. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times.

As prescribed by NI 81-102, the aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the amount of cash borrowed for investment purposes; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

During the period ended June 30, 2021, the Fund's lowest and highest aggregate gross exposure was 62% (December 31, 2020 - 55%) and 122% (December 31, 2020 - 214%) of the Fund's NAV respectively. The primary source of leverage was written options. The low and high end of the range are as a result of our investing activities, and timing of subscriptions and/or redemptions. The Fund's strategy is outlined in the simplified prospectus.

The Manager monitors, on a daily basis, that the Fund's aggregate gross exposure is less than three times the Fund's net asset value.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 7. Financial instruments (continued):

### (i) 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 June 30, 2021:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Common stocks	\$ 76,588,114	\$ 1,914,000	\$ –	\$ 78,502,114
Options	4,751,658	–	–	4,751,658
	\$ 81,339,772	\$ 1,914,000	\$ –	\$ 83,253,772
<b>Liabilities</b>				
Options	\$ 381,255	\$ –	\$ –	\$ 381,255
	\$ 381,255	\$ –	\$ –	\$ 381,255

There were no transfers between levels during the period ended June 30, 2021.

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

## 7. Financial instruments (continued):

The changes in investments measured at fair value using significant Level 3 inputs are reflected below:

	Total
Beginning Balance, January 1, 2021	\$ 2,406,250
Purchases	–
Sales	(2,406,250)
Realized gains (losses) included in net income	–
Change in unrealized appreciation (depreciation) included in net income	–
Ending Balance, June 30, 2021	\$ –

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, 2020:

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Common stocks	\$ 42,519,806	\$ –	\$ 1,406,250	\$ 43,926,056
Fixed income securities	–	–	1,000,000	1,000,000
Options	2,208,246	–	–	2,208,246
	\$ 44,728,052	\$ –	\$ 2,406,250	\$ 47,134,302
<b>Liabilities</b>				
Options	\$ 270,964	\$ –	\$ –	\$ 270,964
	\$ 270,964	\$ –	\$ –	\$ 270,964

There were no transfers between levels during the year ended December 31, 2020.

The changes in investments measured at fair value using significant Level 3 inputs are reflected below:

	Total
Beginning Balance, January 1, 2020	\$ –
Purchases	2,406,250
Sales	–
Realized gains (losses) included in net income	–
Change in unrealized appreciation (depreciation) included in net income	–
Ending Balance, December 31, 2020	\$ 2,406,250

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

## 7. Financial instruments (continued):

Significant unobservable inputs in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy:

Description	Fair value at June 30, 2021	Fair value at December 31, 2020	Valuation technique	Unobservable input	Sensitivity to changes in significant unobservable inputs
Private Equity	\$ –	\$ 1,406,250	Market approach using recent transaction price	Implied value per recent round of funding	The estimated FV would change if factors such as liquidity discount or earnings multiples inherent in the price of the most recent round of funding would change.
Private Debt	\$ –	\$ 1,000,000	Recent transaction price	Implied value per recent round of funding	

## 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; costs relating to 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.



# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

## 8. Expenses (continued):

Each Series is responsible for the operating expenses that relate to that particular Series and for its proportionate share of the operating expenses that are applicable to all the Series of the applicable Fund. These specific expenses, unique to each Series, are payable from the assets attributed to that Series 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 June 30, 2021, the Manager agreed to reimburse the Fund for expenses amounting to \$nil (2020 – \$9,293) and the expense reimbursement receivable from the Manager at June 30, 2021, amounted to \$nil (December 31, 2020 - \$47,311).

## 9. Increase (decrease) in net assets attributable to holders of redeemable units per unit:

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the periods ended June 30, 2021 and 2020 is calculated as follows:

		Increase (decrease) in net assets attributable to holders of redeemable units per series	Weighted average of redeemable units outstanding during the period		Increase (decrease) in net assets attributable to holders of redeemable units per unit
<b>June 30, 2021</b>					
Series A-OM	\$	119,730	197,181	\$	0.61
Series A		157,538	404,606		0.39
Series F-OM		140,318	229,092		0.61
Series F		3,488,940	8,404,936		0.42
Series I		771,283	1,046,111		0.74
Series A (US)-OM		302	5,000		0.06
Series F (US)-OM		55,339	85,260		0.65
Series W-OM		376,089	529,697		0.71
<b>June 30, 2020</b>					
Series A-OM	\$	178,517	219,820	\$	0.81
Series A		(156)	12,716		(0.01)
Series F-OM		227,161	260,298		0.87
Series F		106,885	858,642		0.12
Series I		48,476	109,852		0.44
Series W-OM		531,938	567,915		0.94

# WAYPOINT ALL WEATHER ALTERNATIVE FUND

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

June 30, 2021 (Unaudited)

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## 10. Income taxes:

The Fund qualifies as a unit trust under the provisions of the Income Tax Act (Canada), and accordingly, is not subject to tax on its net taxable income including net realized capital gains, that is paid or payable to its Unitholders as at the end of the taxation 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. 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 under Part I of the Income Tax Act (Canada). As a result, the Fund does not record income taxes.

The Fund is subject to withholding taxes on foreign income at the prescribed rate on investment income and capital gains. Income that is subject to the withholding taxes is recorded gross of withholding taxes, and the related withholding taxes are shown as a separate expense in the statement of comprehensive income.

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.

As at December 31, 2020 and 2019, the Fund had \$nil (2019 – \$nil) non-capital losses and \$223,725 (2019 – \$362,157) capital losses carrying forward.

## 11. Investment in unconsolidated structured entities:

The Fund does not consolidate investments in exchange-traded funds because the Fund does not have an ability to influence the activities of these funds or the returns it receives from investing in these funds.

## 12. Comparative Information

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the prior period.