
The accompanying financial statements have been prepared by the management of Encasa Financial Inc. as the manager (the “Manager”) of the Encasa Funds (the “Funds”) and approved by the Board of Directors of Encasa Financial Inc. Management is responsible for the information and representations contained in these financial statements. The Board of Directors is responsible for reviewing and approving the financial statements and overseeing management’s performance of its financial reporting responsibilities.

Encasa Financial Inc. maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in compliance with IFRS Accounting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in Note 3 to the financial statements.



Brian Marks
Chair, Board of Directors
Encasa Financial Inc.



Howie Wong
CEO
Encasa Financial Inc.

August 21, 2024

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)
ENCASA CANADIAN BOND FUND

June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
CANADIAN CORPORATE BONDS				
62,129	Access Justice Durham Ltd. 5.015% 31AUG39	\$ 68,310	\$ 62,107	0.05
168,884	Aeroports de Montreal 6.95% 16APR32	229,484	181,669	0.14
600,023	Alberta Powerline LP 4.065% 01MAR54	628,195	524,683	0.39
250,000	AltaLink LP 3.99% 30JUN42	305,870	224,894	0.17
260,000	AltaLink LP 5.463% 11OCT55	260,000	288,212	0.22
950,000	Atco Ltd. 5.50% 01NOV78	972,856	936,376	0.70
360,000	Bank of Montreal 4.976% 03JUL34	360,000	358,823	0.27
110,000	Bank of Montreal 5.625% 26MAY82	110,000	106,973	0.08
400,000	Bell Telephone Co of Canada or Bell Canada 5.15% 24AUG34	398,584	401,180	0.30
500,000	Brookfield Finance II Inc. 5.431% 14DEC32	500,000	510,195	0.38
350,000	Brookfield Renewable Partners ULC 3.38% 15JAN30	349,920	328,556	0.25
500,000	Brookfield Renewable Partners ULC 4.25% 15JAN29	584,665	492,220	0.37
420,000	Brookfield Renewable Partners ULC 5.292% 28OCT33	419,975	428,106	0.32
485,000	Calgary Airport Authority 3.454% 07OCT41	497,926	407,536	0.30
170,000	Canadian Imperial Bank of Commerce 4.20% 07APR32	170,000	166,932	0.12
350,000	Canadian Imperial Bank of Commerce 4.90% 12JUN34	349,479	349,048	0.26
510,000	Canadian Imperial Bank of Commerce 5.30% 16JAN34	509,980	516,559	0.39
110,000	Canadian Imperial Bank of Commerce 5.35% 20APR33	111,153	111,559	0.08
470,000	Canadian National Railway Co. 4.40% 10MAY33	452,652	465,859	0.35
345,000	Capital Power Corp. 4.986% 23JAN26	389,039	344,690	0.26
350,000	Capital Power Corp. 5.973% 25JAN34	364,585	361,431	0.27
750,000	CCL Industries Inc. 3.864% 13APR28	739,658	723,585	0.54
340,000	Central 1 Credit Union 1.323% 29JAN26	340,000	321,718	0.24
260,000	Central 1 Credit Union 2.391% 30JUN31	260,000	244,941	0.18
410,000	Central 1 Credit Union 4.648% 07FEB28	385,999	405,572	0.30
650,000	Central 1 Credit Union 5.877% 10NOV26	650,000	662,077	0.50
230,000	Choice Properties Real Estate Investment Trust 2.456% 30NOV26	230,000	218,748	0.16
470,000	Choice Properties Real Estate Investment Trust 5.03% 28FEB31	469,981	473,036	0.35
250,000	Coast Capital Savings Federal Credit Union 4.255% 21APR25	241,520	247,780	0.19
130,000	Connect Six GP 6.112% 30NOV46	130,000	142,386	0.11
802,165	Cordelio Amalco GP I 4.087% 30JUN34	802,165	756,225	0.57
260,000	CU Inc. 3.95% 23NOV48	225,108	225,940	0.17
52,626	Dufferin Wind Power Inc. 4.317% 30NOV33	52,750	50,363	0.04
400,000	Eagle Credit Card Trust 4.916% 17JUN29	400,000	405,668	0.30
500,000	Federation des Caisses Desjardins du Quebec 2.856% 26MAY30	500,979	490,275	0.37
440,000	Federation des Caisses Desjardins du Quebec 5.035% 23AUG32	440,000	441,566	0.33
895,000	Federation des Caisses Desjardins du Quebec 5.20% 01OCT25	901,170	898,562	0.67
100,000	Federation des Caisses Desjardins du Quebec 5.279% 15MAY34	100,000	101,143	0.08
815,000	First Capital Realty Inc. 3.456% 22JAN27	817,475	785,000	0.59
350,000	FortisBC Energy Inc. 2.54% 13JUL50	324,960	233,016	0.17
110,000	Genworth MI Canada Inc. 2.955% 01MAR27	111,505	103,092	0.08
1,077,100	Grand Renewable Solar LP 3.926% 31JAN35	1,052,232	1,006,905	0.75
750,000	Granite REIT Holdings LP 3.062% 04JUN27	774,645	715,688	0.54
351,012	H2O Power LP 3.31% 30NOV29	351,012	331,018	0.25
435,000	HCN Canadian Holdings-1 LP 2.95% 15JAN27	434,526	410,510	0.31
660,000	Hydro One Inc. 4.39% 01MAR34	659,624	649,876	0.49
610,000	iA Financial Corp Inc. 3.072% 24SEP31	610,000	587,747	0.44
350,000	iA Financial Corp Inc. 6.611% 30JUN82	350,000	347,830	0.26
500,000	Ivanhoe Cambridge II Inc. 4.994% 02JUN28	500,000	509,565	0.38
1,420,000	Keyera Corp. 3.959% 29MAY30	1,340,645	1,357,378	1.02
594,081	Kingston Solar LP 3.571% 31JUL35	557,937	543,465	0.41
400,000	Lower Mattagami Energy LP 2.433% 14MAY31	336,192	354,608	0.27
680,000	Lower Mattagami Energy LP 4.691% 07JUN54	680,000	670,235	0.50

June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
CANADIAN CORPORATE BONDS (cont.)				
330,000	Lower Mattagami Energy LP 4.944% 21SEP43	\$ 401,087	\$ 336,260	0.25
905,000	Manulife Financial Corp. 2.237% 12MAY30	890,146	884,158	0.66
320,000	Manulife Financial Corp. 5.054% 23FEB34	320,000	322,790	0.24
430,000	Manulife Financial Corp. 5.409% 10MAR33	430,000	438,978	0.33
670,000	Manulife Financial Corp. 7.117% 19JUN82	666,250	677,491	0.51
193,127	Melancthon Wolfe Wind LP 3.834% 31DEC28	200,402	184,450	0.14
860,000	National Bank of Canada 4.968% 07DEC26	861,602	867,602	0.65
340,000	National Bank of Canada 5.296% 03NOV25	340,000	342,081	0.26
300,000	National Bank of Canada 5.426% 16AUG32	299,985	304,335	0.23
160,478	North Battleford Power LP 4.958% 31DEC32	177,663	159,127	0.12
340,000	North West Redwater Partnership / NWR Financing Co., Ltd. 2.80% 01JUN31	279,415	303,147	0.23
400,000	North West Redwater Partnership / NWR Financing Co., Ltd. 4.85% 01JUN34	399,724	400,372	0.30
42,524	Northland Power Solar Finance One LP 4.397% 30JUN32	42,530	40,983	0.03
1,000,000	Northwestern Hydro Acquisition Co III LP 3.94% 31DEC38	1,011,799	859,070	0.64
496,672	Nouvelle Autoroute 30 Financement Inc. 4.115% 30JUN42	513,579	440,712	0.33
590,000	OMERS Realty Corp. 4.96% 10FEB31	590,000	600,467	0.45
175,000	Ontario Power Generation Inc. 4.248% 18JAN49	218,209	155,762	0.12
130,000	PSS Generating Station LP 4.795% 24OCT67	130,000	122,027	0.09
285,000	Reliance LP 2.68% 01DEC27	284,949	265,877	0.20
775,000	Reliance LP 3.75% 15MAR26	791,531	761,042	0.57
300,000	RioCan Real Estate Investment Trust 1.974% 15JUN26	300,000	284,061	0.21
270,000	RioCan Real Estate Investment Trust 2.829% 08NOV28	270,000	246,667	0.18
325,000	Rogers Communications Inc. 2.90% 09DEC30	319,475	290,687	0.22
335,000	Rogers Communications Inc. 3.75% 15APR29	312,693	321,295	0.24
1,050,000	Royal Bank of Canada 2.088% 30JUN30	1,056,740	1,020,212	0.76
2,275,000	Royal Bank of Canada 2.88% 23DEC29	2,238,995	2,250,385	1.68
30,000	Royal Bank of Canada 4.632% 01MAY28	29,999	30,124	0.02
410,000	Royal Bank of Canada 5.01% 01FEB33	410,000	412,071	0.31
370,000	Royal Bank of Canada 5.096% 03APR34	370,000	372,268	0.28
370,000	Royal Bank of Canada 5.228% 24JUN30	370,000	383,094	0.29
520,000	Saputo Inc. 5.492% 20NOV30	520,000	539,074	0.40
123,402	SEC LP and Arci Ltd. 5.188% 29AUG33	123,401	117,442	0.09
700,000	Stantec Inc. 2.048% 08OCT27	700,676	644,553	0.48
540,000	Stantec Inc. 5.393% 27JUN30	540,000	551,324	0.41
500,000	Sun Life Financial Inc. 4.78% 10AUG34	475,730	501,025	0.37
610,000	TELUS Corp. 2.85% 13NOV31	608,487	533,012	0.40
690,000	TELUS Corp. 4.95% 18FEB31	687,978	693,926	0.52
660,000	TELUS Corp. 5.60% 09SEP30	687,944	687,588	0.51
790,000	TELUS Corp. 5.65% 13SEP52	803,209	802,996	0.60
140,000	The Bank of Nova Scotia 1.85% 02NOV26	127,435	131,667	0.10
200,000	The Bank of Nova Scotia 3.934% 03MAY32	199,988	194,954	0.15
120,000	The Bank of Nova Scotia 4.68% 01FEB29	119,963	120,362	0.09
350,000	The Bank of Nova Scotia 4.95% 01AUG34	349,342	348,852	0.26
600,000	The Bank of Nova Scotia 7.023% 27JUL82	600,000	604,386	0.45
20,000	The Empire Life Insurance Co. 2.024% 24SEP31	19,841	18,743	0.01
595,000	The Independent Order Of Foresters 2.885% 15OCT35	596,657	511,385	0.38
280,000	The Toronto-Dominion Bank 3.06% 26JAN32	255,514	267,803	0.20
1,500,000	The Toronto-Dominion Bank 3.105% 22APR30	1,547,155	1,475,670	1.10
2,100,000	The Toronto-Dominion Bank 3.224% 25JUL29	2,081,768	2,097,543	1.57
320,000	The Toronto-Dominion Bank 4.344% 27JAN26	312,515	317,904	0.24
220,000	TMX Group Ltd. 4.97% 16FEB34	220,000	224,105	0.17
555,000	Vancouver Airport Fuel Facilities Corp. 2.168% 23JUN25	552,872	541,086	0.40
90,382	Winnipeg Airport Authority Inc. 6.102% 20NOV40	90,382	94,526	0.07
650,000	WSP Global Inc. 5.548% 22NOV30	654,916	672,308	0.50
51,667	WTH Car Rental ULC 2.781% 20JUL24	51,667	51,667	0.04
		51,256,969	49,804,622	37.28

June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
CANADIAN FEDERAL BONDS				
570,000	Canada Housing Trust No 1 1.80% 15DEC24	\$ 560,299	\$ 562,676	0.42
1,300,000	Canada Housing Trust No 1 3.55% 15SEP32	1,276,210	1,275,573	0.95
6,470,000	Canadian Government Bond 1.50% 01DEC31	5,549,212	5,637,699	4.22
2,740,000	Canadian Government Bond 1.50% 01JUN31	2,382,349	2,411,282	1.80
2,490,000	Canadian Government Bond 2% 01JUN32	2,215,090	2,236,095	1.67
3,422,000	Canadian Government Bond 2.25% 01DEC29	3,203,913	3,236,185	2.42
4,440,000	Canadian Government Bond 2.75% 01DEC55	3,722,226	3,907,422	2.92
2,000,000	Canadian Government Bond 3% 01JUN34	1,873,100	1,919,620	1.44
980,000	Canadian Government Bond 3.25% 01SEP28	969,170	969,769	0.73
5,045,000	Canadian Government Bond 3.50% 01MAR28	5,055,669	5,034,103	3.77
5,560,000	Canadian Government Bond 3.50% 01MAR34	5,449,454	5,577,681	4.17
500,000	Canadian Government Bond 5.75% 01JUN33	576,225	584,680	0.44
21,692	CBC Monetization Trust 4.688% 15MAY27	21,691	21,754	0.02
630,000	PSP Capital Inc. 4.40% 02DEC30	629,458	646,953	0.48
264,957	Royal Office Finance LP 5.209% 12NOV32	335,415	277,294	0.21
		33,816,481	34,298,786	25.66
CANADIAN MORTGAGE-BACKED SECURITIES				
462,253	Canadian Mortgage Pools 1.92% 01JAN30	459,750	415,504	0.31
547,060	Real Estate Asset Liquidity Trust 2.395% 12JAN2030	547,038	547,038	0.41
		1,006,788	962,542	0.72
CANADIAN PROVINCIAL/MUNICIPAL BONDS				
250,000	Carleton University 3.264% 05JUL61	250,000	178,650	0.13
400,000	City of Ottawa Ontario 3.25% 10NOV47	397,902	322,416	0.24
600,000	City of Toronto Canada 1.60% 02DEC30	593,286	521,460	0.39
500,000	City of Toronto Canada 2.60% 24SEP39	405,565	394,660	0.30
800,000	City of Vancouver 2.30% 05NOV31	799,648	713,928	0.53
1,290,000	Fair Hydro Trust 3.357% 15MAY33	1,371,907	1,202,680	0.90
3,800,000	Hydro Quebec Residual Strip 0% 15FEB55	1,068,028	1,097,978	0.82
800,000	Hydro-Quebec 5% 15FEB50	889,232	879,336	0.66
3,500,000	Hydro-Quebec 6% 15FEB40	4,908,078	4,136,265	3.09
1,000,000	Hydro-Quebec 6.50% 15FEB35	1,322,295	1,190,810	0.89
54,781	Ontario School Boards Financing Corp. 5.376% 25JUN32	62,443	56,580	0.04
1,004,058	Ontario School Boards Financing Corp. 5.80% 07NOV28	1,119,605	1,031,680	0.77
52,621	Ontario School Boards Financing Corp. 5.90% 11OCT27	59,575	53,492	0.04
2,190,000	Province of British Columbia Canada 2.80% 18JUN48	1,962,635	1,676,839	1.25
300,000	Province of British Columbia Canada 4.15% 18JUN34	299,037	298,833	0.22
5,675,000	Province of Ontario Canada 1.55% 01NOV29	4,977,040	5,061,135	3.79
4,400,000	Province of Ontario Canada 1.85% 01FEB27	4,145,290	4,184,180	3.13
4,675,000	Province of Ontario Canada 2.90% 02DEC46	4,262,566	3,696,055	2.77
50,000	Province of Ontario Canada 2.90% 02JUN49	38,853	38,998	0.03
3,440,000	Province of Ontario Canada 3.75% 02DEC53	3,126,356	3,126,788	2.34
1,140,000	Province of Ontario Canada 3.75% 02JUN32	1,085,280	1,117,246	0.84
2,040,000	Province of Ontario Canada 4.10% 04MAR33	2,032,554	2,040,122	1.53
400,000	Province of Ontario Canada 4.60% 02DEC55	410,180	420,912	0.31
2,290,000	Province of Ontario Generic Strip Residual 0% 02JUN43	892,445	931,613	0.70
5,375,000	Province of Quebec Canada 2.85% 01DEC53	4,320,931	4,066,564	3.04
500,000	Province of Quebec Canada 4.40% 01DEC55	510,005	506,975	0.38
750,000	South Coast British Columbia Transportation Authority 3.25% 23NOV28	748,973	732,503	0.55
175,000	South Coast British Columbia Transportation Authority 4.15% 12DEC53	174,515	163,424	0.12
1,250,000	TCHC Issuer Trust 4.877% 11MAY37	1,598,125	1,279,563	0.96
1,750,000	The 55 Ontario School Board Trust 5.90% 02JUN33	2,407,783	1,935,063	1.45
300,000	The Hospital for Sick Children 3.416% 07DEC57	286,176	234,843	0.18
750,000	The University of British Columbia 6.65% 01DEC31	1,006,780	833,805	0.62
250,000	University of Ottawa 2.635% 13FEB60	250,000	154,720	0.12
250,000	University of Toronto 5.841% 15DEC43	335,535	281,190	0.21
250,000	York University 5.841% 04MAY44	378,706	278,150	0.21
		48,497,329	44,839,456	33.55

June 30, 2024

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
CANADIAN SUPRANATIONALS				
1,000,000	European Investment Bank 1% 28JAN28	\$ 999,800	\$ 907,630	0.68
500,000	Inter-American Development Bank 4.40% 26JAN26	581,115	501,035	0.37
1,200,000	International Bank for Reconstruction & Development 1.20% 22JUL26	1,197,504	1,132,368	0.85
		<u>2,778,419</u>	<u>2,541,033</u>	<u>1.90</u>
CANADIAN T-BILLS				
265,000	Canadian Treasury Bill 0% 18JUL24	264,258	264,419	0.20
TOTAL INVESTMENTS OWNED		<u>137,620,244</u>	<u>132,710,858</u>	<u>99.31</u>
NET INVESTMENTS OWNED		<u>\$ 137,620,244</u>	<u>132,710,858</u>	<u>99.31</u>
OTHER ASSETS, NET			<u>951,074</u>	<u>0.69</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			<u>\$ 133,661,932</u>	<u>100.00</u>

Statements of Financial Position (unaudited)

(see note 2 in the generic notes)	June 30 2024	December 31 2023
ASSETS		
Investments at fair value	\$ 132,710,858	\$ 135,888,794
Cash	23,823	741,534
Subscriptions receivable	34,426	1,901
Dividends receivable, interest accrued and other assets	1,014,677	903,756
Due from investment dealers	351,407	–
TOTAL ASSETS	134,135,191	137,535,985
LIABILITIES		
Due to investment dealers	360,000	–
Redemptions payable	326	–
Accounts payable and accrued expenses	112,933	204,362
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	473,259	204,362
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	\$ 133,661,932	\$ 137,331,623
NUMBER OF REDEEMABLE UNITS OUTSTANDING		
SERIES A	14,416,128	14,558,086
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
SERIES A	\$ 9.27	\$ 9.43

Statements of Comprehensive Income (Loss) (unaudited)

For the periods ended June 30 (see note 2 in the generic notes)	2024	2023
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 2,316,998	\$ 2,273,780
Net realized gain (loss) on investments	(1,322,355)	(2,236,717)
Change in unrealized gain (loss) on investments	(981,072)	3,470,030
Other income	–	11,181
TOTAL INCOME (LOSS)	13,571	3,518,274
EXPENSES		
Management fees	512,141	521,545
GST/HST	69,775	70,820
Audit fees	15,159	12,314
Legal fees	10,252	9,573
IRC fees	5,995	8,394
Filing fees	4,364	3,305
TOTAL EXPENSES	617,686	625,951
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
	\$ (604,115)	\$ 2,892,323
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT		
SERIES A	\$ (0.04)	\$ 0.20

Statements of Cash Flows *(unaudited)*

For the periods ended June 30 (see note 2 in the generic notes)	2024	2023
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Increase (decrease) in net assets		
attributable to holders of redeemable units	\$ (604,115)	\$ 2,892,323
Adjustments for non-cash items		
Net realized loss (gain) on investments	1,322,355	2,236,717
Change in unrealized loss (gain) on investments	981,072	(3,470,030)
Change in non-cash balances		
(Increase) decrease in accrued receivables	(110,921)	134,519
Increase (decrease) in accrued payables	(91,429)	(4,388)
Proceeds from sale of investments	98,569,074	89,817,752
Purchase of investments	(97,685,972)	(88,814,119)
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES	2,380,064	2,792,774
FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	3,252,380	2,745,046
Cash paid on redemption of redeemable units	(6,350,155)	(5,629,226)
CASH PROVIDED BY (USED IN)		
FINANCING ACTIVITIES	(3,097,775)	(2,884,180)
Increase (decrease) in cash during the period	(717,711)	(91,406)
Cash, beginning of period	741,534	680,560
CASH, END OF PERIOD	\$ 23,823	\$ 589,154
SUPPLEMENTAL INFORMATION*		
Interest received	\$ 2,206,077	\$ 2,408,299

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

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units *(unaudited)*

For the periods ended June 30 (see note 2 in the generic notes)	Series A	
	2024	2023
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, BEGINNING OF PERIOD	\$ 137,331,623	\$ 135,015,453
INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
Proceeds from redeemable units issued	3,284,905	2,751,150
Reinvestment of distributions to unitholders	1,754,010	1,844,816
Redemption of redeemable units	(6,350,481)	(6,045,955)
DISTRIBUTIONS TO UNITHOLDERS*	(1,754,010)	(1,844,816)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS, END OF PERIOD	\$ 133,661,932	\$ 134,612,971

* For the period ended June 30, 2024, the total distributions from the Fund from net income were \$1,754,010 (June 30, 2023 – \$1,844,816), the total distributions from the Fund from capital gains were \$nil (June 30, 2023 – \$nil) and the total distributions from the Fund from return of capital were \$nil (June 30, 2023 – \$nil).

June 30, 2024

General Information

(see note 1 in the generic notes)

The investment objective of the Fund is to generate a relatively high level of total investment return by investing primarily in bonds of Canadian governments and companies using a responsible investment approach. The Fund invests primarily in bonds of Canadian governments and companies which do not mature for at least one year and with a rating not lower than BBB by an approved credit rating agency.

Financial Instrument Risk and Capital Management

(see note 5 in the generic notes)

The following tables present the Fund's direct risks.

Credit Risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2024	December 31 2023
AAA	28.9	36.0
AA	32.6	30.5
A	20.2	18.0
BBB	18.3	15.6
Total	100.0	100.0

Concentration Risk (%)

The table below summarizes the Fund's investment portfolio (after consideration of derivative products, if any) as at:

Investment mix	June 30 2024	December 31 2023
Corporate Bonds	37.3	32.6
Provincial/Municipal Bonds	33.5	31.7
Federal Bonds	25.9	31.6
Supranationals	1.9	2.3
Mortgage-Backed Securities	0.7	0.7
Cash/Other	0.7	1.1
Total	100.0	100.0

Interest Rate Risk (%)

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	June 30 2024	December 31 2023
Less than 1 year	1.3	1.9
1 – 5 years	19.6	24.9
5 – 10 years	47.7	45.2
> 10 years	31.4	28.0
Total	100.0	100.0

As at June 30, 2024, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net asset value may have decreased or increased, respectively, by approximately 7.4% (December 31, 2023 – 7.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Fair Value Hierarchy (\$)

(see note 3 in the generic notes)

The following is a summary of the inputs used as of June 30, 2024 and December 31, 2023.

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Corporate Bonds	–	50,634,720	–	50,634,720
Federal Bonds	–	34,285,911	–	34,285,911
Provincial/Municipal Bonds	–	44,286,652	–	44,286,652
Mortgage-Backed Securities	–	962,542	–	962,542
Supranationals	–	2,541,033	–	2,541,033
	–	132,710,858	–	132,710,858

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Corporate Bonds	–	44,743,884	–	44,743,884
Federal Bonds	–	43,457,890	–	43,457,890
Provincial/Municipal Bonds	–	43,567,333	–	43,567,333
Mortgage-Backed Securities	–	980,549	–	980,549
Supranationals	–	3,139,138	–	3,139,138
	–	135,888,794	–	135,888,794

For the periods ended June 30, 2024 and December 31, 2023, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

June 30, 2024

Management Fees

Encasa Financial Inc. is the Manager of the Fund and manages the overall business and affairs of the Fund, including providing or arranging for administrative services and the sale of units of the Fund. Management fees are paid monthly in consideration for management, distribution, portfolio management and other services.

Management fees for each series are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.85%
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The Manager may, in its discretion, charge a lower annual fee than indicated in the Fund's prospectus.

As at June 30, 2024, management fees of \$84,837 (December 31, 2023 – \$171,064), included within accounts payable and accrued expenses, were payable to the Manager of the Fund.

Investments by Related Parties (\$ except unit amounts)

Encasa Financial Inc., or its shareholders, held the following investments in the Fund as at:

	June 30 2024	December 31 2023
Units held		
Series A	27,417	27,060
Value of all units	254,204	255,270

Taxes (\$)

(see note 6 in the generic notes)

The non-capital and capital losses for the Fund were approximately:

As at December 31, 2023	
Capital losses	16,481,947
Non-capital losses	–

Redeemable Units

There is no limitation on the number of units available for issue. Units are purchased and redeemed at the net asset value per unit.

For the periods ended June 30 (see note 2 in the generic notes)	2024	2023
Series A		
Redeemable units, beginning of period	14,558,086	14,817,497
Redeemable units issued	354,880	296,886
Redemption of redeemable units	(686,219)	(653,539)
Reinvestments of units	189,381	200,111
Redeemable units, end of period	14,416,128	14,660,955

1. The Funds

The Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario and governed by a Master Trust Agreement. Encasa Financial Inc. (the “Manager”) is the Manager of the Funds and its head office is located at 20 Dundas St W, Suite 1030, Toronto, Ontario. These financial statements were approved for issuance by the Board of Directors of Encasa Financial Inc. on August 21, 2024.

Units of a Fund may be purchased by registered charities, non-profit and co-operative organizations, or any person or category of person that may be accepted from time to time by the Manager at its sole discretion. In order to purchase Units of a Fund, you may be required to sign a subscription agreement or other documents.

2. Financial Period

The information provided in these financial statements and notes thereto is as at June 30, 2024 and December 31, 2023, or for the periods ended June 30, 2024 and 2023, as applicable.

3. Summary of Material Accounting Policies

These financial statements have been prepared in compliance with IFRS Accounting Standards, including International Accounting Standard (IAS) 34, Interim Financial Reporting. The material accounting policies of the Funds, which are investment entities, are as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives

Each of the Funds classifies its investment and derivatives portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets, liabilities and derivatives is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds’ debt securities are solely principal and interest; however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model objectives. Consequently, all investments and derivative contracts are measured at fair value through profit and loss.

The Funds’ obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

The Fund’s redeemable units do not meet the criteria in International Accounting Standard 32, Financial Instruments – Presentation, for classification as equity due to a requirement to distribute income and therefore have been classified as financial liabilities.

Determination of Fair Value

The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm’s-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds’ financial instruments. The hierarchy of inputs is summarized below:

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), including broker quotes, vendor prices and vendor fair value factors; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in Notes to Financial Statements – Fund Specific Information.

Investments and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities and debentures are valued at the closing price quoted by major dealers or independent pricing vendors in such securities.

Short-Term Investments – Short-term investments, including notes and money market instruments, shall be valued at cost plus accrued interest.

Forward Contracts – Forward contracts are valued as the gain or loss that would result from closing the position on that valuation date. Any unrealized gain or loss at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income (Loss). The receivable/payable on forward contracts is recorded separately in the Statements of Financial Position. Realized gain (loss) on foreign exchange contracts is included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Comprehensive Income (Loss). The fair value of foreign currency forward contracts is determined using quoted forward exchange rates at the reporting date as obtained from an independent source.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Under these fair valuation procedures, the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. Management also has procedures in place to determine the fair value of foreign securities traded in countries outside of North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

Cash

Cash is comprised of cash and deposits with banks and is measured at cost. The carrying amount of cash approximates its fair value because it is short-term in nature.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Foreign Exchange

The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars at the noon rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Comprehensive Income (Loss). Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses on spot and forward currency contracts are included in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income (Loss).

Functional Currency

The Funds have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds.

Valuation of Series

A different NAV is calculated for each series of units of a Fund. The NAV of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

Investment Transactions

Investment transactions are accounted for as of the trade date. Transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income (Loss) for the period. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed income and debt securities with the exception of zero coupon bonds.

Withholding Tax Expense Policy

The Funds generally incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income (Loss).

Income Recognition

“Dividends” are recognized on the ex-dividend date and “Interest for distribution purposes” is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income (Loss).

Expenses

Each series of Units of a Fund is responsible for certain operating expenses, exclusive of the services included in the management fee, that relate specifically to that series and for its proportionate share of the operating expenses that are common to all series. These expenses include audit, taxes, legal and filing fees, mortgage service fees and transaction costs, as applicable, and fees and expenses payable in connection with the Independent Review Committee (“IRC”).

Increase (Decrease) in NAV Per Unit

Increase (decrease) in NAV per unit in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units by series divided by the average units outstanding per series during the year.

4. Critical Accounting Judgments and Estimates

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

Fair Value Measurement of Securities Not Quoted in an Active Market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds’ assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

5. Financial Instrument Risk and Capital Management

The Manager is responsible for managing each Fund’s capital, which is its NAV and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio sub-advisers, who engage in daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, the Manager also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund’s direct risks.

Liquidity Risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and

that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its NAV for the purpose of funding redemptions. All non-derivative financial liabilities, other than units, are due within 90 days.

Credit Risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Financial Position. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. The portfolio sub-advisers monitor each Fund's credit exposure and counterparty ratings daily.

Concentration Risk

There are risks associated with any Fund that concentrates its investments in a particular issuer or issuers within a geographical region, asset type, industry sector or market segment. Concentrating investments allows a Fund to focus on a particular issuer's potential or the potential of issuers within the same category, but it also means that the value of the Fund tends to be more volatile than the value of a more diversified Fund because the concentrated Fund's value is affected more by the performance of that particular issuer or issuers in the same category that have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest Rate Risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Currency Risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls.

Other Price Risk

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

Geopolitical Risk

Terrorism, war, military confrontations and related geopolitical events (and their aftermath) can lead to increased short-term market volatility and may have adverse long-term effects on the Canadian, U.S., and world economies and markets generally. Likewise, natural and environmental disasters, such as, for example, earthquakes, fires, floods, hurricanes, tsunamis and weather-related phenomena generally, as well as wide-spread disease and virus epidemics, can be highly disruptive to economies and markets into the medium term, adversely affecting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors impacting the value of the Fund's investments.

6. Taxes

The Funds qualify as open-ended mutual fund trusts under the *Income Tax Act* (Canada). In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. The Funds will distribute all net income and realized capital gains to unitholders such that the Funds are not subject to income tax. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition,

for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

7. Administrative

Portfolio Manager, Registrar and Fund Accounting Agent

Encasa Financial Inc. acts as the Manager and the Portfolio Manager of the Funds and earns fees from the Funds for such services. Encasa has appointed Addenda Capital Inc. (“Addenda”) as portfolio sub-adviser in respect of the Encasa Canadian Short-Term Bond Fund and the Encasa Canadian Bond Fund, and Genus Capital Management Inc. (“Genus”) as portfolio sub-adviser in respect of the Encasa Equity Fund. National Bank Financial Inc. (“National Bank”) through its National Bank Independent Network division has been appointed as registrar, transfer and fund accounting agent of the Funds. The Fees paid to Addenda, Genus and National Bank are paid by the Manager and not the Funds. Neither Addenda, Genus nor National Bank are related to the Manager.

Principal Distributor

Worldsource Financial Management Inc. is the principal distributor of the Funds. The fees paid to Worldsource Financial Management Inc. are paid by the Manager and not the Funds. Worldsource is not related to the Manager.

Trustee and Custodian

Natcan Trust Company is the trustee and custodian of the Funds. Natcan Trust Company holds legal title to the property (the cash and securities) of the Funds on behalf of the Funds. The fees paid to Natcan Trust Company are paid by the Manager and not the Funds. Natcan Trust Company is not related to the Manager.

Brokers and Dealers

The Manager requires its portfolio sub-advisers to have in place appropriate compliance policies for Best Execution, Broker Selection and The Use of Client Brokerage Commissions.