

Financial Statements of

**Chesswood Canadian Asset-Backed Credit Fund
Trust**

For the period February 2, 2024 (commencement of operations) to
June 30, 2024 (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 Manager of the Fund. The Fund's Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with IFRS Accounting Standards and include certain amounts that are based on estimates and judgments made by the Manager. The material accounting policy information which the Manager believes are appropriate for the Fund are described in Note 3 to the unaudited interim financial statements.

On behalf of the Manager

:  _____

August 27, 2024

NOTICE TO UNITHOLDERS

The Auditors of the Fund have not reviewed these financial statements.

Waypoint Investment Partners Inc., the Manager of the Fund, 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.

Chesswood Canadian Asset-Backed Credit Fund Trust

Statement of Financial Position As at June 30, 2024 (Unaudited)

ASSETS

Current assets

Cash	\$	570
Investments owned, at fair value (note 2, 3 and 5)		9,706,321
Dividend receivable		175,664
Expense reimbursement receivable (note 7)		27,709
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		9,910,264

LIABILITIES

Current liabilities

Management fees payable (note 7)		44,308
Audit fees payable		6,164
Distribution payable		34
Other payables		21,545
Due to the Manager (note 7)		19
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		72,070

Net assets attributable to holders of redeemable units

\$ 9,838,194

Net assets attributable to holders of redeemable units per class and series

Class F	\$	9,838,194
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Number of redeemable units outstanding per class and series (note 6)

Class F		983,614
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Net assets attributable to holders of redeemable units per unit (note 8)

Class F	\$	10.00
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Approved by the Manager on behalf of the Fund

: 

Manager,
Waypoint Investment Partners Inc.

Chesswood Canadian Asset-Backed Credit Fund Trust

Statement of Comprehensive Income

For the period from February 2, 2024 (commencement of operations)
to June 30, 2024 (Unaudited)

Income

Dividend income	\$	210,842
Interest income		570
Net change in unrealized depreciation in value of investments		(32,357)
		<u>179,055</u>

Expenses

Management fees (note 7)		44,308
Other expenses		11,664
Professional fees		8,751
Audit fees		6,164
Legal fees		1,130
		<u>72,017</u>

Expense reimbursement (note 7)		(27,709)
		<u>44,308</u>

Increase in net assets attributable to holders of redeemable units	\$	<u>134,747</u>
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Increase in net assets attributable to holders of redeemable units per class and series

Class F	\$	134,747
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Increase in net assets attributable to holders of redeemable units per unit

Class F	\$	0.22
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Chesswood Canadian Asset-Backed Credit Fund Trust

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Distributions to holders of redeemable units	Reinvestment of distributions to holders of redeemable shares	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
June 30, 2024						
Class F	\$ —	\$ 9,703,500	\$ (166,199)	\$ 166,146	\$ 134,747	\$ 9,838,194

Chesswood Canadian Asset-Backed Credit Fund Trust

Statement of Cash Flows

For the period from February 2, 2024 (commencement of operations)
to June 30, 2024 (Unaudited)

Cash provided by (used in):

Operating Activities

Increase in net assets attributable to holders of redeemable units	\$	134,747
Adjustments for non-cash items		
Net change in unrealized depreciation in value of investments		32,357
Change in non-cash balances		
Net increase in interest receivable		(175,664)
Net increase in expense reimbursement receivable		(27,709)
Net increase in management fees payable		44,308
Net increase in audit fees payable		6,164
Net increase in other payables		21,545
Net increase in due to the Manager		19
Purchase of investments		<u>(9,738,678)</u>
Cash used in operating activities		<u>(9,702,911)</u>

Financing Activities

Proceeds from issuance of redeemable units		9,703,500
Distributions to holders of redeemable units		(166,165)
Reinvestment of distribution		<u>166,146</u>
Cash provided by financing activities		<u>9,703,481</u>

Increase in cash during the period		570
Cash, beginning of period		<u>—</u>
Cash, end of period	\$	<u>570</u>

Supplemental information*

Interest received	\$	570
Dividends received, net of withholding taxes		35,178

*Included as a part of cash flows from operating activities

Chesswood Canadian Asset-Backed Credit Fund Trust

Schedule of Investment Portfolio

As at June 30, 2024 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	Canadian investment fund			
968,050	Chesswood Canadian Asset-Backed Credit Fund LP - Class C	\$ 9,738,678	\$ 9,706,321	98.66
	Total investments owned	9,738,678	9,706,321	98.66
	Other assets, net		131,873	1.34
	Net Assets Attributable to Holders of Redeemable Units		\$ 9,838,194	100.00

Chesswood Canadian Asset-Backed Credit Fund Trust

Schedule of Investment Portfolio (Continued)

The Fund invests in the Underlying Fund (Chesswood Canadian Asset-Backed Credit Fund LP). The following disclosure illustrates the investments held in the Underlying Fund.

As at June 30, 2024 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian fixed income				
1,000,000	Allied Properties Real Estate Investment Trust 3.636% 21APR25	\$ 980,360	\$ 983,080	4.02
1,000,000	Bank of Montreal 4.309% 01JUN27	986,080	993,750	4.06
2,000,000	Canadian Treasury Bill 0% 05DEC24	1,947,500	1,960,420	8.01
2,000,000	Canadian Treasury Bill 0% 27MAR25	1,921,240	1,935,220	7.91
1,000,000	Enbridge Inc. 3.20% 08JUN27	955,250	963,130	3.93
1,000,000	Gibson Energy Inc. 2.45% 14JUL25	969,910	975,370	3.98
1,000,000	Rogers Communications Inc. 5.65% 21SEP26	1,014,700	1,018,700	4.16
1,000,000	Sienna Senior Living Inc. 3.109% 04NOV24	988,820	991,680	4.05
		<u>9,763,860</u>	<u>9,821,350</u>	<u>40.12</u>
	Total investments owned	9,763,860	9,821,350	40.12
Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
Canadian fixed income				
(910,000)	Canadian Government Bond 0.50% 01SEP25	\$ (864,773)	\$ (872,144)	(3.56)
(1,000,000)	Canadian Government Bond 1% 01JUN27	(917,650)	(929,360)	(3.80)
(1,100,000)	Canadian Government Bond 1% 01SEP26	(1,025,255)	(1,036,200)	(4.23)
(900,000)	Canadian Government Bond 2.25% 01JUN25	(879,660)	(883,287)	(3.61)
(900,000)	Canadian Government Bond 2.75% 01SEP27	(867,780)	(877,104)	(3.58)
		<u>(4,555,118)</u>	<u>(4,598,095)</u>	<u>(18.78)</u>
	Total investments sold short	(4,555,118)	(4,598,095)	(18.78)
	Net investments owned	<u>\$ 5,208,742</u>	5,223,255	21.34
	Other assets, net		<u>19,255,674</u>	<u>78.66</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 24,478,929</u>	<u>100.00</u>

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

Chesswood Canadian Asset-Backed Credit Fund Trust (the "Fund") is a unit trust formed and organized under the laws of the Province of Ontario pursuant to a Declaration of Trust dated January 2, 2024. The Fund commenced operations on February 2, 2024. The address of the Fund's registered office is 1133 Yonge Street, Suite 603, Toronto, Ontario, M4T 2Y7.

Waypoint Investment Partners Inc. (the "Manager" or "Trustee"), a corporation incorporated under the laws of Ontario, is the manager and trustee of the Fund. The Trustee is responsible for the day-to-day business and affairs of the Fund, to make investment decisions on behalf of the Fund, to assist in the marketing of the Fund and to act as a distributor of units of the Fund.

The investment objective of the Fund is to provide investors with an attractive risk-adjusted return with minimal volatility primarily by investing substantially all of its assets in Chesswood Canadian Asset-Backed Credit Fund LP (the "Partnership"), a limited partnership formed and organized under the laws of the Province of Ontario.

The success of the Fund depends on the continued services of the Manager and will be influenced by several risk factors associated with investments by the Partnership in Canadian-based equipment and property subject to commercial or consumer leases, and commercial and consumer loans, and related rights and/or by investment in structures that provide exposure to equipment and consumer financing credit. The financial statements of the Partnership should be read with the Fund's financial statements.

The financial statements were approved for issuance by the Manager on August 27, 2024.

1. BASIS OF PRESENTATION

(a) Statement of compliance:

These interim financial statements have been prepared in compliance with IFRS Accounting standards applicable to the preparation of financial statements and International Accounting Standard 34, Interim Financial Reporting as published by the International Accounting Standard Board ("IASB").

(b) Basis of measurement:

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), which are presented at fair value in accordance with IFRS. There are no differences in the Fund's Net Asset Value ("Trading NAV") and the NAV for financial reporting purposes.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

(a) Functional currency:

The functional and presentation currency of the Fund is the Canadian dollar ("CAD") and the financial statements are presented in CAD.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(b) Use of estimates and assumptions:

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 (refer to note 3).

(c) Financial assets and financial liabilities:

(i) Classification

Financial Instruments IFRS 9 ("IFRS 9") requires financial assets to be classified as amortized cost, FVTPL or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

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

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 are 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.

(ii) Recognition/Derecognition

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 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 the Fund 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.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(iii) Valuation

Investment in the Partnership is valued at the series net asset value per unit as of the valuation date, as this value is the most readily and regularly available. Commissions and other portfolio transaction costs do not apply to the investment in the Partnership as this investment does not incur such costs.

The Partnership's strategy and objective of its investments is to provide borrowers a short-term source of funding for their various operational needs wherein the Partnership is able to collect payments of principal and interest.

(d) 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;
- (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 the Partnership and instead is required to measure its investment in the Partnership at FVTPL.

(e) Investment transactions and income recognition:

Investment transactions are accounted for on the trade date. Interest income for distribution purposes is recognized in the Statement of Comprehensive Income when the Fund's right to receive payments is established and dividend income is recognized on the ex-dividend rate. Amounts not yet received are included in the Statement of Financial Position.

(f) Redeemable units and net assets attributable to holders of redeemable units:

The Fund currently issues two classes of redeemable units, which is redeemable monthly at the holder's option.

The net asset value ("NAV") attributable to holders of redeemable units per unit of a class of the Fund is based on the carrying value of the proportionate share of the assets and liabilities of the Fund common to all classes, less any liabilities of the Fund attributable only to that class, divided by the total outstanding units of that class. Income and non-class specific expenses are allocated to each class of the Fund based on the pro-rata share of net assets attributable to holders of redeemable units of the Fund. Expenses directly attributable to a class or series are charged directly to that class or series.

The increase in net assets attributable to holders of redeemable units per unit is calculated by dividing the increase in net assets attributable to holders of redeemable units of each class by the weighted average number of units outstanding during the period for each class, and is presented in the Statement of Comprehensive Income.

The Fund's redeemable units are classified as financial liabilities on the Statement of Financial Position, since the Fund's units do not meet the criteria in IAS 32, *Financial Instruments: Presentation* ("IAS 32") for classification as equity.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Income taxes:

The Fund qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is not taxed on that portion of its taxable income that is paid or payable to unitholders at the end of the taxation year. The Fund intends to pay out sufficient net income so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been recorded in these financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing these financial statements, management has made judgements and estimates that affect the application of the Fund's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Classification and measurement of investments and application of the fair value option:

In classifying and measuring financial instruments held by the Fund, the Manager is required to make 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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in note 4.

4. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

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

(i) Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's investment in the Partnership may also indirectly expose the Fund to the Partnership's credit risk.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

4. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

As at June 30, 2024, the Fund did not directly hold any long-term debt securities or derivative instruments and therefore, the Fund is not directly exposed to significant credit risk. However, the Fund may be indirectly exposed to credit risk through some of the portfolio investments held by the Partnership.

(ii) Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices. The following include sensitivity analyses that show how the net assets attributable to holders of redeemable units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

a) Currency risk

Currency risk is the risk that arises from the change in price of one currency against another. The Fund may hold investments or issue redeemable units that are that are denominated in currencies other than CAD.

These investments are converted to the Fund's functional currency (CAD) in determining fair value, and fair values are subject to fluctuations relative to the strengthening or weakening of the functional currency. The Fund may enter into foreign exchange contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

As at June 30, 2024, all of the Fund's and Partnership's assets and liabilities were denominated in CAD, as such, the Fund and Partnership are not exposed to currency risk.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

Interest rate risk arises when the Partnership invests in interest-bearing financial instruments. The Partnership 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.

The Trust is indirectly exposed to interest rate risk through some of the portfolio investments held by the Partnership.

(iii) Leverage risk

Leverage risk is the risk of potential loss arising from devaluations of the assets against which funds were borrowed.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

4. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (CONTINUED)

The Fund may use financial leverage by borrowing funds against the assets of the Fund. The use of leverage increases the risk to the Fund and subjects the Fund to higher current expenses. In particular, if the Fund's portfolio value drops to the loan value or less, Limited Partners could sustain a total loss of their investment.

In addition, leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times.

As at June 30, 2024, the Fund and the Partnership were not exposed to significant leverage risk.

(iv) Concentration risk

Concentration risk arises as a result of the concentration of financial instrument exposures within the same category, whether it is geographic region, asset type or industry sector. The Trust is indirectly exposed to concentration risk through some of the portfolio investments held by the Partnership.

(v) 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 through investment in the Partnership is concentrated in the periodic cash redemptions of units. To mitigate this risk, the Partnership holds certain actively traded securities that the Manager has deemed to possess sufficient liquidity to meet redemption requirements. The Partnership will not permit redemptions (either in whole or in part) at any time the Manager is of the opinion in its sole discretion that there are insufficient liquid assets in the Partnership to fund such redemptions or that the liquidation of assets would be to the detriment of the Partnership generally. The Partnership may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives, and it is possible that the exchanges may impose limits on trading of derivatives.

5. CLASSIFICATION OF FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT

When measuring the fair value of an asset or liability, the Fund uses market observable data where possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques 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) |

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

5. CLASSIFICATION OF FINANCIAL INSTRUMENTS – FAIR VALUE MEASUREMENT (CONTINUED)

As at June 30, 2024, all of the investments of the Trust are in LP units of the Partnership and are classified as Level 2. The investment in the Partnership was valued at fair value using the NAV as reported by the Partnership.

There were no transfers between the levels during the period from February 2, 2024 (commencement of operations) to June 30, 2024.

6. REDEEMABLE UNITS OF THE FUND

The Fund is authorized to issue an unlimited number of classes which are issuable in two series: series A units and series F units, with an unlimited number of units in each class or series. Units are only being distributed to investors resident in Ontario, British Columbia and Alberta, pursuant to available prospectus exemptions under the securities laws of such provinces. The offering is restricted to accredited investors, which generally includes individuals who have net financial assets of at least \$1,000,000 or personal income of at least \$200,000, or combined spousal income of at least \$300,000 (in the previous two years with reasonable prospects of same in the current year).

Class A units and Class F Units are available to all investors who meet the minimum investment criteria and who purchase Units either directly from the Manager as dealer, through a fee-based account with their own dealer or otherwise as approved by the Manager. The Manager pays an annual trailing commission equal to 1% of the net asset value of the Fund is payable to the dealer with respect to Series A Units. No trailing commission is payable with respect to Class F Units.

The minimum initial investment is \$10,000, which may be reduced to a lesser amount in the discretion of the Manager at any time. Each subsequent investment must be not less than \$10,000 or such lesser amount as the Manager may permit. The above minimums are exclusive of any commissions paid directly by an investor to their dealer.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

6. REDEEMABLE UNITS OF THE FUND (CONTINUED)

Subscriptions will be processed on the last business day of each month and such other days as the Manager may permit (each a "Subscription Date"). The acceptance of a subscription is subject to the Manager's discretion to refuse the subscription in whole or in part. A fully completed subscription agreement together with payment (or evidence of payment) of subscription proceeds must be received by the Manager no later than 4:00 p.m. (Toronto time) on the business day prior to a Subscription Date in order for the subscription to be accepted as at that Subscription Date; otherwise the subscription will be processed as at the next Subscription Date.

Redemptions of Units will be permitted on a monthly basis, being on the last business day of each month, and on such other dates as the Manager may permit (each, a "Redemption Date"). Redemption requests must be received in writing by the Manager at least 60 days prior to the applicable Redemption Date.

Cash redemptions are subject to limits, including an aggregate monthly limit on cash equal to the greater of \$100,000 or 2% of the net asset value of the Fund on all redemptions in that month.

A 5% redemption fee will be charged on the series net asset value per unit for each unit redeemed by a unitholder within one year from the date of subscription.

During the period from February 2, 2024, (commencement of operations) to June 30, 2024, the number of units issued, outstanding was as follows:

	Units, beginning of period	Issuance of units	Distribution reinvestment	Units, end of period
June 30, 2024				
Class F	—	967,003	16,611	983,614

7. RELATED PARTY TRANSACTIONS

Management Fees

The Manager is entitled to receive a monthly management fee (the "Management Fee"), on the last business day of each month in an amount that is equal to 1/12 of 2.5% of the Net Asset Value of the Class A Units and 1.5% of the Net Asset Value of the Class F Units on such date (in each case determined before deduction of any redemption deductions, if any, allocable to such Units). Management Fees payable by the Fund to the Manager are subject to HST and will be deducted as an expense of the Fund in the calculation of the Net Asset Value of the Fund.

For the period from February 2, 2024, (commencement of operations) to June 30, 2024, the Fund incurred management fees of \$44,308 of which \$44,308 was payable to the Manager at June 30, 2024.

Expenses

The Fund is responsible for all costs and operating expenses, and the Manager is entitled to reimbursement from the Fund for all costs and operating expenses actually incurred by them, in connection with the formation and organization of the Fund.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

7. RELATED PARTY TRANSACTIONS (CONTINUED)

The Fund pays all of its operating expenses including, without limitation, expenses relating to Manager's fees, accounting, valuation, audit and legal costs, insurance premiums, custodial fees, administration fees, registrar and transfer agency fees and expenses, bookkeeping and recordkeeping costs, unitholder communication expenses, mailing and printing expenses, organizational and set-up expenses, the cost of maintaining the Fund's existence and regulatory fees and expenses, expenses relating to the Fund's portfolio investments, interest on borrowings and commitment fees and related expenses payable to lenders and counterparties, brokerage fees, commissions and expenses, banking fees and interest 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.

Expenses attributable to a particular Class of units will be deducted from the net asset value of such class.

The Manager is entitled to reimbursement for any expenses of the Fund incurred by the Manager but may choose to bear some of the Fund's expenses from time to time. During the period from February 2, 2024, (commencement of operations) to June 30, 2024, the Manager agreed to absorb \$27,709 of the Fund's expenses and the expense reimbursement due from the Manager amounted to \$27,709.

As at June 30, 2024, \$19 is due to the Manager of the Fund.

Related Party Shareholdings

As at June 30, 2024, 4.5% of Class F units were held by entities or individuals related to the Partnership or General Partner, certain officers and directors of the Manager, or persons or entities related to such individuals.

8. Investments in unconsolidated structured entity

The Fund does not consolidate but has significant influence over the Partnership, a structured entity, as at June 30, 2024. The table below describes the type of structured entities that the Fund does not consolidate but in which it holds a 40.00% interest.

June 30, 2024				
Strategy	Number of Investee Funds	Net Asset Value of Investee Fund	Investment fair value	% of net assets attributable to holders of redeemable units
Chesswood Canadian Asset-Backed Credit Fund LP	1	\$ 24,478,929	\$ 9,706,321	40.00
			9,706,321	40.00

During the period from February 2, 2024 (commencement of operations) to June 30, 2024, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The Partnership's investment objective is to provide investors with an attractive risk-adjusted return with minimal volatility primarily by acquiring a diversified portfolio of Canadian-based equipment and property subject to commercial or consumer leases, and commercial and consumer loans, and related rights (the "Investments") and/or by investing in structures that provide exposure to equipment and consumer financing credit. The Partnership is managed by Waypoint Investment Partners Inc. who is related to the Fund and applies various investment strategies to accomplish their respective investment objectives.

Chesswood Canadian Asset-Backed Credit Fund Trust

Notes to the Financial Statements

For the period from February 2, 2024 (commencement of operations) to June 30, 2024 (unaudited)

8. INVESTMENTS IN UNCONSOLIDATEDSTRUCTURED ENTITY (CONTIUNED)

The Partnership finances its operations by issuing redeemable units that are puttable at the holder's option and entitle the holder to a proportional stake in the Partnership's net assets.

The change in fair value of the Partnership is included in the statement of comprehensive income in 'Net change in unrealized depreciation in value of investments'.

9. INCOME TAXES

The Fund intends to qualify as a mutual fund 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 withholding taxes is recorded gross of withholding taxes, and the related withholding taxes are shown as a separate expense in the statements 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.

10. SUBSEQUENT EVENT

There have been no significant events between the Statement of Financial Position date and the date of authorization of the financial statements which in the opinion of management requires additional disclosure in the financial statements.