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# Financial statements of Kingwest Canadian Equity Portfolio

December 31, 2024 and 2023

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## Independent Auditor's Report

To the Unitholders of  
Kingwest Canadian Equity Portfolio ("the fund")

### Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
Licensed Public Accountants  
Toronto, Ontario  
March 21, 2025

# Kingwest Canadian Equity Portfolio

## Statements of financial position

As at December 31, 2024 and 2023

	Note	2024 \$	2023 \$
<b>Assets</b>			
Financial assets at fair value through profit or loss		<b>215,409,811</b>	193,243,881
Cash		<b>2,627,209</b>	3,411,286
Dividends receivable		<b>598,086</b>	634,538
Interest receivable		<b>—</b>	7,628
Accounts receivable for redeemable units purchased		<b>175,350</b>	72,234
Total assets		<b>218,810,456</b>	197,369,567
<b>Liabilities</b>			
Management fee payable		<b>38,420</b>	30,899
Accrued expenses		<b>39,425</b>	27,624
Accounts payable for units redeemed		<b>6,000</b>	23,833
Accounts payable for distributions		<b>266,885</b>	107,906
Total liabilities (excluding net assets attributable to holders of redeemable units)		<b>350,730</b>	190,262
<b>Net Assets Attributable to Holders of Redeemable Units</b>		<b>218,459,726</b>	197,179,305
<b>Net Assets Attributable to Holders of Redeemable Units per Series</b>			
Series O		<b>132,650,847</b>	116,121,464
Series F		<b>12,852</b>	—
Series R		<b>85,796,027</b>	81,057,841
<b>Number of Units Outstanding</b>	3		
Series O		<b>5,017,098</b>	4,977,469
Series F		<b>1,131</b>	—
Series R		<b>3,257,127</b>	3,484,683
<b>Net Assets Attributable to Holders of Redeemable Units Per Unit</b>			
Series O		<b>26.440</b>	23.329
Series F		<b>11.363</b>	—
Series R		<b>26.341</b>	23.261

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

Approved by Portfolio Manager

*"Richard Fogler"*

Richard L. Fogler, Managing Director

**Kingwest Canadian Equity Portfolio**  
**Statements of comprehensive income (loss)**  
For the years ended December 31, 2024 and 2023

	Note	2024 \$	2023 \$
<b>Operating income</b>			
Dividends		5,159,438	4,814,300
Interest for distribution		1,126,512	1,098,758
		<b>6,285,950</b>	5,913,058
<b>Realized and unrealized Gain (Loss) on financial assets and liabilities at fair value through profit or loss</b>			
<b>Net realized gain (loss)</b>		<b>5,562,328</b>	(4,436,280)
Net foreign currency (loss) gain		<b>(4)</b>	36
Net change in unrealized gain on financial assets and liabilities at fair value through profit or loss		<b>19,667,320</b>	14,432,604
<b>Total operating income</b>		<b>31,515,594</b>	15,909,418
<b>Operating expenses</b>			
Management and advisory fees		469,252	434,017
Accounting and administrative fees		107,155	85,575
Audit fees		29,054	18,054
Custodian fees		56,325	51,645
Trustee fees		6,565	6,284
Interest expense		165	196
Transaction costs	6	134,051	150,942
Total operating expenses		<b>802,567</b>	746,713
<b>Operating profit</b>		<b>30,713,027</b>	15,162,705
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations</b>		<b>30,713,027</b>	15,162,705
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations</b>			
Series O		18,725,325	9,163,920
Series F		1,752	—
Series R		11,985,950	5,998,785
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations Per Unit</b>			
Series O		3.831	1.886
Series F		1.831	—
Series R		3.555	1.771

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

**Kingwest Canadian Equity Portfolio**
**Statements of changes in net assets attributable to holders of redeemable units**

For the years ended December 31, 2024 and 2023

Notes	Series O		Series F	
	2024	2023	2024	2023
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations</b>	<b>18,725,325</b>	9,163,920	<b>1,752</b>	—
<b>Distributions to Redeemable Unitholders</b>				
From investment income	(3,635,241)	(3,317,955)	(352)	—
	<b>(3,635,241)</b>	<b>(3,317,955)</b>	<b>(352)</b>	—
<b>Redeemable Unit Transactions</b>				
Proceeds from issue of redeemable units	1,422,863	81,736	11,100	—
Distributions reinvested	3,559,045	3,269,757	352	—
Redemption of redeemable units	(3,542,609)	(887,162)	—	—
	<b>1,439,299</b>	<b>2,464,331</b>	<b>11,452</b>	—
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations</b>	<b>16,529,383</b>	8,310,296	<b>12,852</b>	—
<b>Net Assets Attributable to Holders of Redeemable Units</b>				
Beginning of year	116,121,464	107,811,168	—	—
End of year	<b>132,650,847</b>	<b>116,121,464</b>	<b>12,852</b>	—
<b>Distributions to Redeemable Unitholders per Unit</b>				
From investment income	<b>0.746</b>	0.686	<b>0.320</b>	—

Notes	Series R		Total	
	2024	2023	2024	2023
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations</b>	<b>11,985,950</b>	5,998,785	<b>30,713,027</b>	15,162,705
<b>Distributions to Redeemable Unitholders</b>				
From investment income	(1,950,250)	(1,931,375)	(5,585,843)	(5,249,330)
	<b>(1,950,250)</b>	<b>(1,931,375)</b>	<b>(5,585,843)</b>	<b>(5,249,330)</b>
<b>Redeemable Unit Transactions</b>				
Proceeds from issue of redeemable units	17,100,903	10,334,941	18,534,866	10,416,677
Distributions reinvested	1,759,704	1,854,907	5,319,101	5,124,664
Redemption of redeemable units	(24,158,121)	(11,749,672)	(27,700,730)	(12,636,834)
	<b>(5,297,514)</b>	<b>440,176</b>	<b>(3,846,763)</b>	<b>2,904,507</b>
<b>Increase in Net Assets Attributable to Holders of Redeemable Units from Operations</b>	<b>4,738,186</b>	4,507,586	<b>21,280,421</b>	12,817,882
<b>Net Assets Attributable to Holders of Redeemable Units</b>				
Beginning of Year	81,057,841	76,550,255	197,179,305	184,361,423
End of Year	<b>85,796,027</b>	<b>81,057,841</b>	<b>218,459,726</b>	<b>197,179,305</b>
<b>Distributions to Redeemable Unitholders per Unit</b>				
From investment income	<b>0.611</b>	0.567	<b>1.677</b>	1.253

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



**Kingwest Canadian Equity Portfolio****Statements of cash flows**

For the years ended December 31, 2024 and 2023

	2024	2023
	\$	\$
<b>Cash flows from operating activities</b>		
Payments on purchases of investments	(72,357,106)	(68,943,773)
Proceeds from sale of investments	75,420,823	67,368,916
Dividends received <sup>1</sup>	5,195,891	4,658,446
Interest received	1,134,140	1,179,305
Operating expenses paid	(783,245)	(756,069)
<b>Net cash provided by operating activities</b>	<b>8,610,503</b>	<b>3,506,825</b>
<b>Cash flows from financing activities</b>		
Distributions paid to holders of redeemable units, net of reinvested distributions	(107,763)	(179,427)
Proceeds from issue of redeemable units	18,431,750	10,407,168
Payment on redemption of redeemable units	(27,718,563)	(12,658,044)
<b>Net cash used in financing activities</b>	<b>(9,394,576)</b>	<b>(2,430,303)</b>
Net foreign currency (loss) gain	(4)	36
Net (decrease) increase in cash	(784,073)	1,076,522
Cash at beginning of year	3,411,286	2,334,728
<b>Cash at end of year</b>	<b>2,627,209</b>	<b>3,411,286</b>

<sup>1</sup>Net amounts are received in cash

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

**Kingwest Canadian Equity Portfolio**  
**Schedule 1 – Schedule of Investment Portfolio**  
As at December 31, 2024

Number of shares	Security name			% of Net assets attributable to holders of redeemable units
		Cost	Fair value	
		\$	\$	
<b>Canadian Equities</b>				
402,666	Algonquin Power & Utilities Corp.	3,947,522	2,569,009	
344,390	Allied Properties Real Estate Investment Trust	9,407,663	5,906,289	
137,935	AutoCanada Inc.	2,541,994	2,390,414	
100	Bank of Montreal	10,956	13,955	
226,911	Brookfield Corp.	11,754,489	18,747,386	
152,368	Canadian Natural Resources Ltd.	7,931,900	6,762,092	
71,614	Canadian Pacific Kansas City Ltd.	7,136,436	7,453,585	
188,311	Cenovus Energy Inc.	2,617,886	4,103,297	
494,068	CI Financial Corp.	7,932,422	15,286,464	
74,932	Colliers International Group Inc.	8,062,387	14,647,707	
84,589	Definity Financial Corp.	2,750,937	4,944,227	
151,417	Dye & Durham Ltd.	1,977,143	2,661,911	
250,400	Empire Co., Ltd., Class A	8,969,921	10,990,056	
500	Enbridge Inc.	24,369	30,505	
111,203	EQB Inc.	5,914,067	11,005,761	
206,852	GFL Environmental Inc.	6,660,927	13,255,076	
101,793	International Petroleum Corp.	1,915,350	1,711,140	
149,602	Mullen Group Ltd.	2,030,353	2,181,197	
214,988	Quebecor Inc.	5,736,396	6,772,122	
72,644	Restaurant Brands International Inc.	7,365,864	6,806,016	
57,207	Royal Bank of Canada	6,927,665	9,915,117	
283,057	Secure Energy Services Inc.	3,937,303	4,602,507	
291,687	SmartCentres Real Estate Investment Trust	6,645,887	7,134,664	
60,419	Strathcona Resources Ltd.	1,746,687	1,903,803	
131,016	Sun Life Financial Inc.	7,502,592	11,182,216	
372,136	Superior Plus Corp.	4,981,795	2,377,949	
316,640	TELUS Corp.	8,534,576	6,171,314	
9,299	TFI International Inc.	1,998,668	1,806,238	
356,850	TMX Group Ltd.	8,249,855	15,801,318	
212,681	Toronto-Dominion Bank	16,359,090	16,276,476	
Total Canadian Equities		171,573,100	215,409,811	98.6
Total Equities		171,573,100	215,409,811	98.6
Transaction Costs		(286,284)	—	
<b>Total Investments</b>		171,286,816	215,409,811	98.6
<b>Cash</b>				
	Canadian Dollar	2,601,101	2,601,101	
	U.S. Dollar	26,115	26,108	
Total Cash		2,627,216	2,627,209	1.2
Other net assets			422,706	0.2
<b>Total Net Assets</b>		173,914,032	218,459,726	100.0

**Kingwest Canadian Equity Portfolio**  
**Schedule 2 – Summary of investment portfolio**  
As at December 31, 2024 and 2023

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The fair value percentage of total net assets attributable to holders of redeemable units by major portfolio category is shown in the following table:

	Percentage of net assets attributable to holders of redeemable units (%)	
	2024 %	2023 %
<b>Portfolio by category</b>		
Canadian Equities		
Financials	<b>47.2</b>	40.6
Real Estate	<b>12.7</b>	18.5
Industrials	<b>11.3</b>	12.1
Communication Services	<b>5.9</b>	9.1
Energy	<b>8.8</b>	2.1
Consumer Staples	<b>5.0</b>	4.5
Consumer Discretionary	<b>4.2</b>	4.6
Utilities	<b>2.3</b>	3.5
Information Technology	<b>1.2</b>	—
Short Term Investments	—	3.0
Other Assets net of Liabilities	<b>1.4</b>	2.0
<b>Total</b>	<b>100.0</b>	100.0

## Kingwest Canadian Equity Portfolio

### Notes to the financial statements

For the years ended December 31, 2024 and 2023

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#### 1. Description of the fund

Kingwest Canadian Equity Portfolio ("the Portfolio") is a unit trust formed under the laws of the province of Ontario by Declaration of Trust on June 16, 1995.

RBC Investor Services Trust is the Trustee and Kingwest & Company ("Kingwest") is the manager of the Portfolio ("the Manager"). The address of the Portfolio's principal office is at the address of the manager, at 86, Avenue Road, Toronto, Ontario, M5R 2H2, Canada.

The Portfolio is aimed at providing capital appreciation through investments in equity securities of listed Canadian companies.

The audited annual financial statements were authorized for issue by the Board of Directors of Kingwest on March 21, 2025.

#### 2. Material accounting policy information

These financial statements have been prepared in compliance with IFRS® Accounting standards as published by the International Accounting Standards Board (IASB) and as required by Canadian securities legislation and the Canadian Accounting Standards Board.

The policies applied in these financial statements are based on IFRS issued and in effect as of December 31, 2023.

##### *Financial instruments*

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other trade receivable and payables. All financial assets and liabilities are recognized in the Statement of Financial Position when the Portfolio becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Portfolio has transferred substantially all risks and rewards of ownership.

The Fund classifies and measures financial instruments in accordance with IFRS 9, Financial Instruments - Classification and Measurement ("IFRS 9"). The standard requires financial assets to be classified as amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement. The Fund classifies investments based on both the Fund's business models for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess performance and to make decisions. Consequently, all investments are measured at fair value through profit or loss.

More specifically, the Fund's investments, derivative assets and liabilities and short sales, if any, are measured at FVTPL. The Fund's obligation for Net Assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and liabilities are initially recognized at fair value and subsequently measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument's effective interest rate. The fair values of the Fund's financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

## **2. Material accounting policy information (continued)**

### *Financial assets and financial liabilities at fair value through profit or loss*

#### *(a) Classification*

##### *Financial assets*

The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. The fund has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at FVTPL.

##### *Financial liabilities*

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

##### *Hedge accounting*

The Fund does not apply general hedge accounting to any of its derivative positions.

##### *Financial assets and financial liabilities at amortized cost*

The financial assets and liabilities measured at amortized cost include accrued income, due to and from brokers and other short term receivables and payables.

The Fund applies expected credit loss model ("ECL") in accordance with IFRS 9 for financial assets measured at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material.

##### *Financial risk management*

Credit risk is the risk that a counterparty to a financial instrument will cause a loss by failing to discharge its obligations. The Fund is exposed to credit risk on its debt instruments, derivative assets, cash and cash equivalents and other short term trade receivables.

The Fund measures credit risk and lifetime ECLs related to the short-term receivables using historical analysis and forward looking information in determining the ECL.

## **2. Material accounting policy information (continued)**

### *Investment valuation*

The Portfolio's financial instruments are valued at fair value using the policies described below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- (a) Securities listed upon a recognized public stock exchange are valued at their quoted market prices at the close of trading on the valuation date. The Portfolio 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.
- (b) Securities not listed upon a recognized public stock exchange are valued using valuation techniques, on such basis and in such manner established by the Manager. The Portfolio uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing modes and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.
- (c) Bonds are valued at the mean of bid/ask prices provided by recognized investment dealers. Unlisted convertible debentures are valued at cost, if the underlying security is less than the conversion price; or if the underlying security is greater than the conversion price, at the closing price of the underlying security multiplied by the number of shares to be received. The price calculated approximates fair value.
- (d) Short-term notes and treasury bills are stated at cost. In the opinion of the Manager, the cost of these short-term notes and treasury bills, together with the amortized discounts / premiums and accrued interest received, represents fair value.
- (e) Mutual fund securities of an underlying fund are valued on a business day at the price calculated by the manager of such underlying fund in accordance with the constating documents of such underlying fund. This approximates fair value.

### *Transaction costs*

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. These are included as an expense in the Statement of Comprehensive Income (loss). The Schedule of Investment Portfolio includes an adjustment to reduce the cost of investments for this accounting policy.

### *Cost of investments*

The cost of investments represents the amount paid for each security and is determined on an average cost basis, with an adjustment being made in the Schedule of Investment Portfolio to exclude commissions and transaction costs.

### *Investment security transactions*

Investment transactions are accounted for on the trade date, the date on which the Portfolio commits to purchase or sell the investment. Gains and losses on securities sold are determined on the basis of average cost.

## **2. Material accounting policy information (continued)**

### *Cash*

Cash consists of cash on hand and cash equivalents which are highly liquid investments with an original term to maturity of three months or less.

### *Income recognition*

Interest income for distribution purposes represents the coupon interest received by the Portfolio accounted for on an accrual basis; it is the tax basis of calculating the interest received and which is subject to tax. Interest receivable is shown separately in the Statement of Financial Position based on the debt instruments' stated rates of interest. Dividend income is recognized on the ex-dividend date.

### *Valuation of other financial instruments*

Dividends and interest receivable are designated as financial assets and are reported at fair value. Accrued expenses and Accounts Payable are designated as financial liabilities and are reported at fair value. Due to their short term nature, the carrying value of these financial assets and liabilities approximates fair value.

### *Basis of fair value measurement*

The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Portfolio's financial instruments are recorded at fair value or at amounts that approximate fair value in the financial statements.

The Portfolio classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date.

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.

Level 3 Inputs that are unobservable. There is little if any market activity. Inputs into the determination of fair value require significant management judgment or estimation.

The Portfolio's policy is to recognize transfers in and out of the fair value hierarchy levels as at the end of the reporting period for transfers between Levels 1 and 2 and as at the date of the event or change in circumstances giving rise to the transfer for transfers in and out of Level 3.

### *Foreign currency translation*

Investment securities and other assets and liabilities denominated in a foreign currency are translated into Canadian dollars at the year-end exchange rate. Purchases and sales of securities, income and expenses are translated into Canadian dollars at the exchange rate on the date of the respective transaction. Gains and losses from foreign currency translation are included in income.

## Kingwest Canadian Equity Portfolio

### Notes to the financial statements

For the years ended December 31, 2024 and 2023

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## 2. Material accounting policy information (continued)

### *Taxes*

The Portfolio qualifies as a unit trust within the meaning of the Income Tax Act (Canada), and, accordingly, is subject to tax on its income. The Portfolio distributes sufficient net taxable income and net taxable capital gains to eliminate any income tax liability in the Portfolio.

The Portfolio currently 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 separately in the Statement of Comprehensive Income (loss). All or a portion of any such withholding taxes may be recoverable.

### *Distributions*

Unitholders have the option of receiving distributions in cash or in the form of additional redeemable units by way of reinvestment. All such amounts will be automatically reinvested unless instructions are given to Kingwest to pay distributions of net investment income and net realized capital gains in cash.

### *Critical accounting estimates and judgments*

In preparing the Portfolio's financial statements, the Manager is required to make significant judgments about whether or not the business of the Portfolio is to invest on a total return basis for the purpose of applying the fair value option for the financial assets under IFRS 9. The most significant judgment made includes the determination that the fair value option can be applied to those investments other than those that are held for trading and determining the fair level of level 2 securities. Actual results may differ from these estimates.

The Portfolio has two classes of redeemable units in issue. Redeemable units can be put back to the Portfolio at any time for cash or securities-in-kind equal to a proportionate share of the Portfolio's net asset value attributable to the units. The redeemable units are classified as financial liabilities and are measured at redemption amounts.

### *Determination of functional currency*

Functional Currency' is the currency of the primary economic environment in which the Portfolio operates. If indicators of the primary economic environment are mixed, then management uses its judgment to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Portfolio's investments and transactions are denominated in Canadian dollars. Investors' subscriptions and redemptions are also received and paid in Canadian dollars. Accordingly, management has determined that the functional currency of the Portfolio is Canadian dollars.

### *Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit*

Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is based on the increase (decrease) in net assets attributable to holders of redeemable units from operations attributable to the unitholders divided by the average number of redeemable units outstanding during the year.

### *New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the Portfolio*

#### *i) Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued the new standard IFRS Accounting Standards 18 – Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement,



## 2. Material accounting policy information (continued)

*New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the Portfolio (continued)*

requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures ("MPMs") in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Portfolio is assessing the impact on the financial statements.

### ii) Classification and Measurement of Financial Instruments

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

## 3. Net assets attributable to holders of redeemable units

The Portfolio is authorized to issue an unlimited number of redeemable units of equal value. The Portfolio is permitted to issue fractional redeemable units. Each redeemable whole unit is entitled to one vote and to participate in distributions made to the unitholders. Fractional redeemable units are entitled to participate proportionately in distributions but not to vote. All redeemable units are fully paid and non-assessable when issued.

The Portfolio's redeemable units are classified as financial liabilities on the Statement of Financial Position, since the Portfolio has an obligation to distribute its income to minimize taxes such that it has no discretion to avoid cash distributions and with an ongoing redemption option, the Portfolio violate IAS 32.16A(d).

The redeemable units of the Portfolio are issued and redeemed at the closing net asset value per unit as determined daily. Redeemable units are redeemable at the option of the unitholder.

	<b>Series O</b>		<b>Series R*</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Redeemable units outstanding, beginning of period	<b>4,977,469</b>	4,872,231	<b>3,484,683</b>	3,467,030
Redeemable units issued, during the period	<b>54,431</b>	3,658	<b>702,125</b>	452,648
Redeemable units redeemed, during the period	<b>(149,411)</b>	(38,575)	<b>(996,486)</b>	(514,699)
Redeemable units reinvested, during the period	<b>134,609</b>	140,155	<b>66,805</b>	79,704
Redeemable units outstanding, end of period	<b>5,017,098</b>	4,977,469	<b>3,257,127</b>	3,484,683

  

	<b>Series F**</b>	
	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Redeemable units outstanding, beginning of period	—	—
Redeemable units issued, during the period	<b>1,100</b>	—
Redeemable units redeemed, during the period	—	—
Redeemable units reinvested, during the period	<b>31</b>	—
Redeemable units outstanding, end of period	<b>1,131</b>	—

\*Issue date Nov 16, 2020

\*\*Issue date May 01, 2024

#### 4. Management fees

Series O does not pay management fees. Series F has an internal management fee of 80 basis points on daily net asset value. Series R has an internal management fee of 50 basis points on daily net asset value. Kingwest may enter into agreements with unitholders under which management fees are paid directly by unitholders to Kingwest.

#### 5. Income taxes

The Portfolio qualifies as a unit trust under the Income Act (Canada). All of the Portfolio's net income for tax purposes and sufficient net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Portfolio. As a result the Portfolio does not record income taxes. Since the Portfolio does not record income taxes, the tax benefit of capital and non capital losses has not been reflected in the Statement of Financial Position as a deferred income tax asset.

As at December 31, 2024 the Portfolio had net realized capital losses, which may be carried forward indefinitely to reduce future realized capital gains of approximately \$4,246,454 (\$4,577,357 in December 31, 2023). The Portfolio had non-capital losses of approximately \$nil as at December 31, 2024 and \$nil as of December 31, 2023.

#### 6. Related party transactions

Brokerage fees in the form of commissions incurred to Kingwest in connection with arm's length purchase and sale of securities of the Portfolio during the year amounted to \$134,051 (\$150,942 in 2023). These fees are measured at the exchange amount and are in the normal course of business.

As at December 31, 2024 the principals of the Manager and parties related to the principals own 113 redeemable units of Kingwest Canadian Equity Portfolio Series F (0 units in December 31, 2023) and 63,187 redeemable units of Kingwest Canadian Equity Portfolio Series O (60,758 units in December 31, 2023).

#### 7. Fair value disclosures

The Portfolio's assets recorded at fair value have been categorized based upon a fair value hierarchy as described in note 2.

The following fair value hierarchy table presents information about the Portfolio's assets measured at fair value on a recurring basis as of December 31, 2024 and 2023.

	Level 1	Level 2	Level 3	December 31, 2024 Total
	\$	\$	\$	\$
Cash	2,627,209	—	—	2,627,209
Equities	215,409,811	—	—	215,409,811
Total	218,037,020	—	—	218,037,020

  

	Level 1	Level 2	Level 3	December 31, 2023 Total
	\$	\$	\$	\$
Cash	3,411,286	—	—	3,411,286
Equities	187,271,001	—	—	187,271,001
Short term investments	—	5,972,880	—	5,972,880
Total	190,682,287	5,972,880	—	196,655,167

## 7. Fair value disclosures (continued)

There were no transfers between Level 1 and Level 2 and the Income Portfolio did not hold any financial instruments within Level 2 or Level 3 of the fair value hierarchy during 2024 and 2023.

## 8. Financial risks

The Portfolio's investment activities and operations expose it to a variety of financial risks: market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Portfolio's overall risk management program aims to minimize the potentially adverse effects of these risks on the Portfolio's financial performance in a manner consistent with the Portfolio's investment objectives.

### *Currency risk*

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar. The Portfolio is exposed to the risk that the value of its investment in equities will fluctuate significantly due to changes in exchange rates.

The Portfolio holds assets and liabilities, including cash and equities that are denominated in US dollars. It is therefore exposed to currency risk, as the value of the securities denominated in US dollars and cash fluctuate due to changes in exchange rates.

The table below summarizes the Portfolio's exposure to currency risk as at December 31, 2024 and 2023. Amounts shown are based on the carrying value of monetary and non-monetary assets.

	<b>Currency exposure</b>	<b>Percentage of net assets</b>
	<b>\$</b>	<b>%</b>
United States Dollar		
December 31, 2024	<b>146,530</b>	<b>0.07%</b>
December 31, 2023	184,430	0.09%

As at December 31, 2024, if the exchange rate between the Canadian Dollar and the foreign currencies increased or decreased by 1%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,465 (\$1,844 in December 31, 2023). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### *Interest rate risk*

Interest rate risk is the risk that the fair value of the Portfolio's interest-bearing investments will fluctuate due to changes in market interest rates. As a result, the Portfolio is subject to interest rate risk due to fluctuations in the prevailing level of market interest rates.

There are no short-term notes as at December 31, 2024.

	0-1 year	1-5 years	> 5 years	December 31, 2023 Total
	\$	\$	\$	\$
Short-term Notes	5,972,880	—	—	5,972,880

## 8. Financial risks (continued)

### *Interest rate risk (continued)*

At December 31, 2024, if interest rates increased or decreased by 25 basis points with all other variables remaining constant, the increase or decrease in net assets attributable to holders of redeemable units for the year would have amounted to approximately \$nil (\$1,493 in December

31, 2023). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

### *Price risk*

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 risk 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. All securities present a risk of loss of capital. The Portfolio's investments in equities are susceptible to market price risk arising from uncertainties about future prices of the underlying securities.

As at December 31, 2024 and 2023, if the following index increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units could possibly have increased or decreased as follows:

	<b>December 31, 2024</b> <b>Impact on</b> <b>net assets</b> \$	December 31, 2023 Impact on net assets \$
Benchmark TSX Composite	<b>21,540,981</b>	18,727,100

### *Credit risk*

Credit risk is associated with the inability of a third party to fulfill payment obligations. All of the Portfolio's transactions are in listed securities and are settled and paid for using primarily Canadian bank owned brokers. The table below summarizes the Portfolio's exposure to credit risk exposure as of December 31, 2024 and 2023 as a percentage of the Portfolio's net assets attributable to holders of redeemable units:

	<b>December 31, 2024</b> <b>Percentage of</b> <b>net assets</b> %	December 31, 2023 Percentage of net assets %
AAA/Aaa	—	3.00

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 purchase once the securities have been received by the broker.

## **8. Financial risks (continued)**

### *Liquidity risk*

Liquidity risk is defined as the risk that the Portfolio may not be able to settle or meet its obligations on time or at a reasonable price. The Portfolio is exposed to daily redemptions of redeemable units. The Portfolio's investments are considered readily realizable and highly liquid, therefore the Portfolio's liquidity risk is not considered to be significant. Liabilities are generally settled within the quarter.

### *Concentration risk*

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is industry sector, geographical location, product type or counterparty type. A summary of the Portfolio's concentration risk by industry sector as at December 31, 2024 and 2023, is shown in Schedule of Investment Portfolio.

## **9. Financial instruments by category**

The Portfolio is organized in one main operating segment, namely the management of the Portfolio's investments in order to achieve the Portfolio's investment objectives. The Portfolio's sole income generating activity is the management of the Portfolio's investments. The Portfolio's investments are managed solely from Canada. Whilst the Portfolio has only one operating segment, it does have exposure to different sectors through the investments it holds and this is analyzed in Schedule of Investment Portfolio.

## **10. Capital disclosures**

The capital of the Portfolio is represented by issued redeemable units with no par value. Unitholders are entitled to distributions, if any, and to payment of a proportionate share based on the Portfolio's net asset value per unit upon redemption. The Portfolio has no restrictions or specific capital requirements on the subscriptions and redemptions of redeemable units. The relevant movements are shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies, and the risk management practices outlined in the preceding note, the Portfolio endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments, where necessary.