



# Imperial Overseas Equity Pool

## Interim Financial Reports (unaudited)

for the period ended June 30, 2021

### Statements of Financial Position (unaudited) (in 000s, except per unit amounts)

As at June 30, 2021 and December 31, 2020 (note 1)

	June 30, 2021	December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Investments (non-derivative financial assets) † (notes 2 and 3)	\$ 292,992	\$ 250,509
Cash including foreign currency holdings, at fair value	8,043	18,547
Margin	1,417	763
Dividends receivable	613	635
Receivable for portfolio securities sold	1,254	125
Receivable for units issued	–	322
Derivative assets	567	1,042
<b>Total Assets</b>	<b>304,886</b>	<b>271,943</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Payable for portfolio securities purchased	2,057	93
Payable for units redeemed	526	10
Derivative liabilities	1,542	251
<b>Total Liabilities</b>	<b>4,125</b>	<b>354</b>
<b>Net Assets Attributable to Holders of Redeemable Units</b> (note 5)	<b>\$ 300,761</b>	<b>\$ 271,589</b>
<b>Net Assets Attributable to Holders of Redeemable Units per Class</b>		
Class A	\$ 300,761	\$ 271,589
<b>Net Assets Attributable to Holders of Redeemable Units per Unit</b> (note 5)		
Class A	\$ 26.93	\$ 25.21

### † Securities Lending

The tables that follow indicate the Pool had assets involved in securities lending transactions outstanding as at June 30, 2021 and December 31, 2020.

	Aggregate Value of Securities on Loan (\$000s)	Aggregate Value of Collateral for Loan (\$000s)
June 30, 2021	25,636	27,384
December 31, 2020	5,836	8,211

### Collateral Type\* (\$000s)

	i	ii	iii	iv
June 30, 2021	–	27,384	–	–
December 31, 2020	–	8,211	–	–

\* See note 2j for Collateral Type definitions.

### Organization of the Fund (note 1)

The Pool was established on February 1, 1991 (referred to as *Date Established*).

	Inception Date
Class A	November 24, 2003

## Imperial Overseas Equity Pool

### Statements of Comprehensive Income (unaudited) (in 000s, except per unit amounts)

For the periods ended June 30, 2021 and 2020 (note 1)

	June 30, 2021	June 30, 2020
<b>Net Gain (loss) on Financial Instruments</b>		
Interest for distribution purposes	\$ 1	\$ 7
Dividend revenue	4,002	3,400
Derivative income (loss)	3,656	-
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on sale of investments and derivatives	6,921	4,575
Net realized gain (loss) on foreign currency (notes 2f and g)	(587)	56
Net change in unrealized appreciation (depreciation) of investments and derivatives	6,190	(18,635)
<b>Net Gain (loss) on Financial Instruments</b>	<b>20,183</b>	<b>(10,597)</b>
<b>Other Income</b>		
Foreign exchange gain (loss) on cash	20	(29)
Securities lending revenue ±	23	25
	43	(4)
<b>Expenses</b> (note 6)		
Management fees ±±	389	352
Audit fees	6	5
Custodial fees	161	158
Independent review committee fees	-	-
Legal fees	1	1
Regulatory fees	8	8
Transaction costs ±±±	141	241
Unitholder reporting costs	12	15
Withholding taxes (note 7)	682	574
Other expenses	4	2
	1,404	1,356
Expenses waived/absorbed by the Manager	(263)	(254)
	1,141	1,102
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>19,085</b>	<b>(11,703)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Class (excluding distributions)</b>		
Class A	\$ 19,085	\$ (11,703)
<b>Average Number of Units Outstanding for the period per Class</b>		
Class A	10,982	12,504
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (excluding distributions)</b>		
Class A	\$ 1.74	\$ (0.94)

### ± Securities Lending Revenue (note 2j)

	June 30, 2021		June 30, 2020	
	(in 000s)	% of Gross securities lending revenue	(in 000s)	% of Gross securities lending revenue
Gross securities lending revenue	\$ 31	100.0	\$ 34	100.0
Interest paid on collateral	-	-	-	-
Withholding taxes	(1)	(3.2)	(1)	(2.9)
Agent fees - Bank of New York Mellon Corp. (The)	(7)	(22.6)	(8)	(23.5)
<b>Securities lending revenue</b>	<b>\$ 23</b>	<b>74.2</b>	<b>\$ 25</b>	<b>73.6</b>

### ±± Maximum Chargeable Annual Management Fee Rates (note 6)

Class A	0.25%
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### ±±± Brokerage Commissions and Fees (notes 8 and 9)

	2021	2020
<b>Brokerage commissions and other fees</b> (\$000s)		
Total Paid	84	119
Paid to CIBC World Markets Inc.	5	-
Paid to CIBC World Markets Corp.	-	-
<b>Soft dollars</b> (\$000s)		
Total Paid	45	34
Paid to CIBC World Markets Inc. and CIBC World Markets Corp.	3	-

### Service Provider (note 9)

The amounts paid by the Pool (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees, and to CIBC Mellon Global Securities Services Company (referred to as *CIBC GSS*) for securities lending, fund accounting and reporting, and portfolio valuation (all net of absorptions) for the periods ended June 30, 2021 and 2020 were as follows:

	2021	2020
(\$000s)	8	11

*Imperial Overseas Equity Pool*

**Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (unaudited)  
(in 000s)**

For the periods ended June 30, 2021 and 2020 (note 1)

	Class A Units	
	June 30, 2021	June 30, 2020
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units (excluding distributions)</b>	<b>\$ 19,085</b>	<b>\$ (11,703)</b>
<b>Redeemable Unit Transactions</b>		
Amount received from the issuance of units	29,500	14,489
Amount paid on redemptions of units	(19,413)	(42,113)
	<b>10,087</b>	<b>(27,624)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units</b>	<b>29,172</b>	<b>(39,327)</b>
<b>Net Assets Attributable to Holders of Redeemable Units at Beginning of Period</b>	<b>271,589</b>	<b>288,548</b>
<b>Net Assets Attributable to Holders of Redeemable Units at End of Period</b>	<b>\$ 300,761</b>	<b>\$ 249,221</b>

**Redeemable Units Issued and Outstanding** (note 5)

As at June 30, 2021 and 2020

Balance - beginning of period	10,773	12,938
Redeemable units issued	1,140	745
	<b>11,913</b>	13,683
Redeemable units redeemed	(747)	(2,088)
Balance - end of period	<b>11,166</b>	11,595

**Net Capital and Non-Capital Losses** (note 7)

As at December 2020, the Pool had net capital and non-capital losses (in \$000s) for income tax purposes available to be carried forward as follows:

<b>Total Net Capital Losses</b>	<b>Total Non-Capital Losses that Expire in: 2030 to 2040</b>
193,999	-

*Imperial Overseas Equity Pool*

**Statements of Cash Flows (unaudited)  
(in 000s)**

For the periods ended June 30, 2021 and 2020 (note 1)

	June 30, 2021	June 30, 2020
<b>Cash Flows from Operating Activities</b>		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (excluding distributions)	\$ 19,085	\$ (11,703)
Adjustments for:		
Foreign exchange loss (gain) on cash	(20)	29
Net realized (gain) loss on sale of investments and derivatives	(6,921)	(4,575)
Net change in unrealized (appreciation) depreciation of investments and derivatives	(6,190)	18,635
Purchase of investments	(83,032)	(93,444)
Proceeds from the sale of investments	56,261	117,030
Margin	(654)	-
Interest receivable	-	5
Dividends receivable	22	(11)
	<b>(21,449)</b>	<b>25,966</b>
<b>Cash Flows from Financing Activities</b>		
Amount received from the issuance of units	29,822	15,136
Amount paid on redemptions of units	(18,897)	(41,205)
	<b>10,925</b>	<b>(26,069)</b>
<b>Increase (Decrease) in Cash during the Period</b>	<b>(10,524)</b>	<b>(103)</b>
<b>Foreign exchange loss (gain) on cash</b>	<b>20</b>	<b>(29)</b>
<b>Cash (Bank Overdraft) at Beginning of Period</b>	<b>18,547</b>	<b>4,631</b>
<b>Cash (Bank Overdraft) at End of Period</b>	<b>\$ 8,043</b>	<b>\$ 4,499</b>
Interest received	\$ 1	\$ 12
Dividends received, net of withholding taxes	\$ 3,342	\$ 2,815

## Imperial Overseas Equity Pool

### Schedule of Investment Portfolio (unaudited) As at June 30, 2021

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
<b>CANADIAN EQUITIES</b>				
Canadian Pacific Railway Ltd.	14,050	813	1,339	
Shopify Inc., Class 'A'	600	270	1,087	
		1,083	2,426	0.8%
<b>TOTAL CANADIAN EQUITIES</b>		<b>1,083</b>	<b>2,426</b>	<b>0.8%</b>
<b>INTERNATIONAL EQUITIES</b>				
<b>Australia</b>				
BHP Group Ltd.	36,218	1,478	1,633	
Cochlear Ltd.	7,032	1,416	1,645	
Commonwealth Bank of Australia	10,106	778	938	
CSL Ltd.	14,144	2,996	3,750	
Macquarie Group Ltd.	5,136	695	746	
Rio Tinto Ltd.	7,063	703	830	
Sonic Healthcare Ltd.	35,401	1,113	1,264	
Wesfarmers Ltd.	26,265	1,269	1,443	
Westpac Banking Corp. Ltd.	31,833	623	764	
		11,071	13,013	4.3%
<b>Belgium</b>				
KBC Group NV	9,186	717	869	
Umicore SA	9,296	566	705	
		1,283	1,574	0.5%
<b>Brazil</b>				
Ambev SA	190,941	714	812	
Magazine Luiza SA	134,500	729	709	
		1,443	1,521	0.5%
<b>China</b>				
Beijing Capital International Airport Co. Ltd., Class 'H'	258,037	246	212	
Meituan, Class 'B'	9,220	369	471	
Shenzhou International Group	28,100	749	880	
Tencent Holdings Ltd.	8,355	467	780	
WuXi Biologics (Cayman) Inc.	41,199	570	935	
		2,401	3,278	1.1%
<b>Denmark</b>				
A.P. Moller - Maersk AS, Class 'B'	291	522	1,038	
Carlsberg AS, Series 'B'	2,800	617	648	
Danske Bank AS	16,012	477	350	
DSV Panalpina AS	10,583	1,610	3,062	
Novo Nordisk AS, Series 'B'	35,262	2,988	3,659	
Novozymes AS, Class 'B'	12,538	911	1,173	
Orsted AS	3,874	639	674	
Vestas Wind Systems AS	20,640	739	1,000	
		8,503	11,604	3.9%
<b>Finland</b>				
Elisa OYJ	7,817	550	578	
Neste OYJ	9,907	463	753	
Nokia OYJ	141,183	724	938	
		1,737	2,269	0.8%
<b>France</b>				
Air Liquide SA	13,286	2,662	2,888	
Airbus SE	5,141	495	821	
Alstom SA	6,854	454	429	
Amundi SA	6,565	546	718	
AXA SA	21,339	586	672	
BNP Paribas SA	9,717	617	756	
Bouygues SA	6,569	299	302	
Capgemini SE	2,732	470	651	
Carrefour SA	4,969	117	121	
Compagnie Générale des Établissements Michelin, Series 'B', Registered	7,939	1,246	1,571	
Danone	7,333	712	640	
Dassault Systèmes SA	2,162	418	650	
EssilorLuxottica	1,817	356	416	
Gecina SA	2,985	559	567	
Kering	421	399	457	
L'Oréal SA	5,689	2,502	3,149	
LVMH Moët Hennessy-Louis Vuitton SA	6,366	3,357	6,208	
Orpea SA	2,424	395	383	
Pernod-Ricard SA	14,365	3,440	3,958	
Publicis Groupe	6,965	585	553	
Rexel SA	52,512	1,011	1,363	
Safran SA	3,529	505	607	
Sanofi SA	18,120	2,315	2,360	
Schneider Electric SE	5,314	582	1,038	
SCOR SE	6,023	268	238	
Teleperformance	1,496	468	753	
TotalEnergies SE	27,445	1,577	1,541	
Ubisoft Entertainment SA	10,211	1,216	884	
Valeo SA	4,388	162	164	

## Imperial Overseas Equity Pool

### Schedule of Investment Portfolio (unaudited) As at June 30, 2021 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Vinci SA	9,796	1,195	1,298	
		29,514	36,156	12.0%
<b>Germany</b>				
Adidas AG	1,624	574	751	
BASF SE	24,561	2,357	2,403	
Bayer AG, Registered	4,670	408	352	
Covestro AG	13,019	721	1,044	
Daimler AG, Registered	5,885	482	652	
Deutsche Boerse AG	3,102	669	671	
Deutsche Post AG, Registered	9,739	521	822	
Deutsche Telekom AG, Registered	22,052	522	578	
Deutsche Wohnen SE	6,890	443	523	
Fresenius Medical Care AG & Co. KGaA	5,585	569	575	
Infineon Technologies AG	17,873	591	891	
RWE AG	19,105	931	859	
SAP SE	21,066	3,076	3,668	
Siemens AG, Registered	14,711	2,339	2,896	
Siemens Healthineers AG	11,452	694	870	
Symrise AG	7,365	1,141	1,272	
Volkswagen AG, Preferred	3,304	745	1,027	
		16,783	19,854	6.6%
<b><sup>2</sup>Hong Kong (note 10)</b>				
AIA Group Ltd.	291,132	3,348	4,477	
Galaxy Entertainment Group Ltd.	31,450	288	312	
Hong Kong Exchanges & Clearing Ltd.	6,820	343	503	
		3,979	5,292	1.8%
<b>India</b>				
HDFC Bank Ltd., ADR	10,800	751	979	
		751	979	0.3%
<b>Ireland</b>				
Accenture PLC, Class 'A'	3,600	749	1,316	
Aon PLC	3,360	900	994	
Experian PLC	34,400	1,062	1,646	
ICON PLC	3,050	517	782	
Kerry Group PLC, Class 'A'	3,745	546	649	
Ryanair Holdings PLC, ADR	3,406	303	457	
STERIS PLC	4,670	1,044	1,194	
		5,121	7,038	2.3%
<b>Italy</b>				
Enel SPA	192,866	2,022	2,222	
Ferrari NV	6,659	1,553	1,704	
UniCredit SPA	86,089	1,334	1,261	
		4,909	5,187	1.7%
<b><sup>3</sup>Japan (note 10)</b>				
Bridgestone Corp.	6,668	326	376	
Daifuku Co. Ltd.	6,936	789	780	
Daiichi Sankyo Co. Ltd.	53,992	1,927	1,444	
Daikin Industries Ltd.	8,485	2,095	1,960	
FANUC Corp.	9,111	2,554	2,708	
Fast Retailing Co. Ltd.	1,362	1,435	1,269	
Fukuoka Financial Group Inc.	11,200	265	243	
GLP J-REIT	347	687	741	
GMO Payment Gateway Inc.	4,527	770	729	
Hitachi Metals Ltd.	23,100	334	547	
Honda Motor Co. Ltd.	24,800	957	989	
Hoya Corp.	5,041	567	827	
Iida Group Holdings Co. Ltd.	11,400	257	363	
Isuzu Motors Ltd.	32,900	456	541	
KDDI Corp.	13,914	516	537	
Keyence Corp.	6,434	2,836	4,017	
Komatsu Ltd.	25,300	661	777	
KOSE Corp.	3,632	746	707	
Lasertec Corp.	4,900	1,019	1,175	
Mitsubishi UFJ Financial Group Inc.	92,605	519	618	
Mitsui & Co. Ltd.	15,100	311	422	
MS&AD Insurance Group Holdings Inc.	4,900	209	176	
Murata Manufacturing Co. Ltd.	15,539	1,479	1,467	
Nidec Corp.	11,633	1,915	1,658	
Nintendo Co. Ltd.	2,020	1,459	1,449	
Pan Pacific International Holdings Corp.	22,373	457	577	
Panasonic Corp.	66,100	829	943	
Recruit Holdings Co. Ltd.	29,382	1,330	1,786	
Resona Holdings Inc.	54,500	296	260	
Shin-Etsu Chemicals Co. Ltd.	10,392	2,236	2,155	
SoftBank Group Corp.	14,719	1,349	1,272	
Sompo Holdings Inc.	8,356	403	384	
Sony Group Corp.	19,443	1,999	2,337	
Sumitomo Mitsui Financial Group Inc.	30,958	1,396	1,323	

## Imperial Overseas Equity Pool

### Schedule of Investment Portfolio (unaudited) As at June 30, 2021 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
Suzuki Motor Corp.	2,600	139	137	
Sysmex Corp.	5,651	752	831	
T&D Holdings Inc.	11,500	144	185	
Takeda Pharmaceutical Co. Ltd.	71,699	3,639	2,983	
Tokio Marine Holdings Inc.	32,035	2,031	1,829	
Tokyo Electron Ltd.	1,281	399	687	
Toyota Motor Corp.	9,419	825	1,021	
		43,313	45,230	15.0%
<b>Luxembourg</b>				
ArcelorMittal SA	25,178	474	961	
		474	961	0.3%
<b>Macau</b>				
Sands China Ltd.	91,140	486	476	
		486	476	0.2%
<b>Mexico</b>				
Grupo Financiero Banorte SAB de CV	21,970	83	175	
		83	175	0.1%
<b>Netherlands</b>				
Adyen NV	811	2,147	2,465	
Akzo Nobel NV	4,879	512	749	
ASML Holding NV	5,007	1,749	4,285	
ASML Holding NV, Registered	1,950	764	1,670	
ING Groep NV	77,182	950	1,270	
Koninklijke DSM NV	3,209	445	744	
Koninklijke Philips NV	8,133	555	500	
Prosus NV	14,747	2,116	1,791	
Royal Dutch Shell PLC, Class 'A'	71,277	1,716	1,785	
Technip Energies NV, ADR	12,165	210	206	
		11,164	15,465	5.1%
<b>Norway</b>				
Equinor ASA	19,311	452	507	
Mowi ASA	16,924	461	534	
		913	1,041	0.3%
<b>Singapore</b>				
DBS Group Holdings Ltd.	14,044	367	387	
Singapore Telecommunications Ltd.	274,992	609	582	
Wilmar International Ltd.	102,211	309	425	
		1,285	1,394	0.5%
<b>South Korea</b>				
POSCO	3,032	684	1,162	
Samsung Electronics Co. Ltd.	16,426	903	1,458	
Shinhan Financial Group Co. Ltd.	6,592	320	295	
SK Hynix Inc.	6,993	763	978	
		2,670	3,893	1.3%
<b>Spain</b>				
Aena SME SA	3,236	613	658	
Amadeus IT Group SA	41,448	3,388	3,622	
Banco Bilbao Vizcaya Argentaria SA	72,570	393	558	
CaixaBank SA	270,086	1,026	1,031	
Iberdrola SA	29,117	368	440	
		5,788	6,309	2.1%
<b>Sweden</b>				
Assa Abloy AB, Class 'B'	30,853	949	1,153	
Atlas Copco AB, Class 'A'	29,490	1,475	2,245	
Evolution AB	4,900	949	961	
Hexagon AB, Class 'B'	75,600	961	1,388	
Svenska Handelsbanken AB, Class 'A'	39,182	524	548	
		4,858	6,295	2.1%
<b>Switzerland (note 10)</b>				
ABB Ltd., Registered	35,068	1,024	1,477	
Alcon Inc.	31,370	2,562	2,728	
Compagnie Financiere Richemont SA, Registered	4,401	406	661	
Credit Suisse Group AG, Registered	60,213	1,003	781	
Givaudan SA, Registered	94	493	543	
Julius Baer Group Ltd.	11,602	892	939	
Lonza Group AG, Registered	2,282	1,526	2,006	
Nestlé SA, Registered	41,567	5,439	6,423	
Novartis AG, Registered	33,357	3,615	3,772	
Roche Holding AG Genussscheine	11,776	4,432	5,501	
Schindler Holding AG	1,242	427	471	
Sika AG, Registered	4,230	987	1,718	
Straumann AG, Registered	701	1,062	1,386	
Swiss Life Holding AG, Registered	1,186	708	715	
Temenos Group AG, Registered	5,235	918	1,043	
UBS Group AG, Registered	65,210	1,195	1,238	

## Imperial Overseas Equity Pool

### Schedule of Investment Portfolio (unaudited) As at June 30, 2021 (cont'd)

Security	Number of Shares	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets			
Zurich Insurance Group AG	2,842	1,395	1,415				
		28,084	32,817	10.9%			
<b>Taiwan</b>							
Catcher Technology Co. Ltd.	29,667	335	240				
Hon Hai Precision Industry Co. Ltd.	148,144	631	737				
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	10,780	787	1,606				
		1,753	2,583	0.9%			
<b>United Arab Emirates</b>							
NMC Health PLC	278	17	-				
		17	-	0.0%			
<b>United Kingdom</b>							
Ashtead Group PLC	8,393	389	773				
AstraZeneca PLC	22,458	3,001	3,345				
Aviva PLC	63,173	512	440				
Balfour Beatty PLC	30,849	140	162				
Barclays PLC	294,567	872	866				
BP PLC	162,313	905	882				
British American Tobacco PLC	28,256	1,563	1,360				
Compass Group PLC	7,603	147	199				
Diageo PLC	53,688	2,695	3,190				
GlaxoSmithKline PLC	21,002	525	512				
HSBC Holdings PLC	179,555	1,514	1,285				
InterContinental Hotels Group PLC	9,333	776	771				
J Sainsbury PLC	180,780	660	843				
John Wood Group PLC	174,934	1,360	661				
London Stock Exchange Group PLC	12,111	1,212	1,659				
National Grid PLC	39,825	595	628				
NatWest Group PLC	130,475	598	455				
Prudential PLC	52,765	1,204	1,244				
Reckitt Benckiser Group PLC	3,344	404	366				
RELX PLC	63,782	1,990	2,098				
Rolls-Royce Holdings PLC	739,450	1,672	1,255				
Smith & Nephew PLC	50,270	1,342	1,351				
Standard Chartered PLC	68,132	670	539				
TechnipFMC PLC	52,894	920	593				
Tesco PLC	182,763	716	700				
Travis Perkins PLC	34,919	882	1,013				
Unilever PLC	55,367	4,135	4,015				
Vodafone Group PLC	522,157	1,566	1,085				
WH Smith PLC	14,743	308	407				
		33,273	32,697	10.9%			
<b>United States</b>							
Coupage Inc.	14,540	739	754				
EPAM Systems Inc.	1,735	952	1,099				
iShares MSCI EAFE ETF	128,264	11,883	12,542				
Lululemon Athletica Inc.	2,050	663	927				
MercadoLibre Inc.	640	816	1,236				
Mettler-Toledo International Inc.	540	526	927				
ResMed Inc.	3,620	640	1,106				
		16,219	18,591	6.2%			
<b>TOTAL INTERNATIONAL EQUITIES</b>		<b>237,875</b>	<b>275,692</b>	<b>91.7%</b>			
<b>TOTAL EQUITIES</b>		<b>238,958</b>	<b>278,118</b>	<b>92.5%</b>			
<b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>		<b>238,958</b>	<b>278,118</b>	<b>92.5%</b>			
Security	Coupon Rate (%)	Maturity Date	Additional Details	Par Value	Average Cost (\$000s)	Fair Value (\$000s)	% of Net Assets
<b>SHORT-TERM INVESTMENTS</b> (note 11)							
Hydro-Quebec	0.07%	2021/07/13	Discount Note, USD	1,000,000	1,252	1,240	
Province of British Columbia	0.07%	2021/07/19	Discount Note, USD	5,000,000	6,135	6,198	
Province of British Columbia	0.07%	2021/09/20	Discount Note, USD	6,000,000	7,434	7,436	
<b>TOTAL SHORT-TERM INVESTMENTS</b>					<b>14,821</b>	<b>14,874</b>	<b>4.9%</b>
Less: Transaction costs included in average cost					(488)		
<b>TOTAL INVESTMENTS</b>					<b>253,291</b>	<b>292,992</b>	<b>97.4%</b>
Margin						1,417	0.5%
Derivative assets						567	0.2%
Derivative liabilities						(1,542)	(0.6)%
Other Assets, less Liabilities						7,327	2.5%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>						<b>300,761</b>	<b>100.0%</b>

<sup>13</sup>Hedging reference number. Refers to a corresponding number on the Schedule of Derivative Assets and Liabilities - Forward Foreign Currency Contracts.



## Imperial Overseas Equity Pool

### Schedule of Derivative Assets and Liabilities - Futures Contracts (note 11)

Contracted Value (\$)	Name of Future	Expiry Date	Number of Contracts	Currency	Contracted Price	Fair Value (\$)	Unrealized Gain (Loss) (\$000s)
17,468,418	MSCI EAFE Index	September 2021	119	USD	2,368.40	16,994,166	(474)
<b>17,468,418</b>						<b>16,994,166</b>	<b>(474)</b>

As at June 30, 2021, \$1,417,373 cash was deposited as margin for the futures contracts.

### Schedule of Derivative Assets and Liabilities - Forward Foreign Currency Contracts (note 10)

Hedging Ref. No.**	Counterparty	Credit Rating for Counterparty*	Settlement Date	Currency Buys	Par Value	Currency Sells	Par Value	Forward Rate	Current Rate	Unrealized Gain (Loss) (\$000s)
1	Goldman Sachs & Co., New York	A-1	2021/08/31	CAD	1,960,413	CHF	1,450,000	0.740	0.745	15
1	Goldman Sachs & Co., New York	A-1	2021/08/31	CAD	661,939	CHF	490,000	0.740	0.745	4
1	Royal Bank of Canada	A-1+	2021/08/31	CAD	5,848,473	CHF	4,340,000	0.742	0.745	25
	Toronto-Dominion Bank (The)	A-1+	2021/07/26	CLP	668,310,000	USD	951,304	0.001	0.001	(52)
	Royal Bank of Canada	A-1+	2021/07/26	USD	926,921	CLP	668,310,000	721.000	734.775	22
	Canadian Imperial Bank of Commerce	A-1	2021/09/08	CNY	5,490,000	CAD	1,031,567	0.188	0.191	16
	Bank of Nova Scotia	A-1	2021/07/26	COP	6,839,225,000	USD	1,891,849	0.000277	0.000266	(88)
	Bank of Nova Scotia	A-1	2021/07/26	USD	890,480	COP	3,248,470,000	3,648.000	3,756.850	32
	Goldman Sachs & Co., New York	A-1	2021/07/30	CZK	20,290,000	CAD	1,166,494	0.057	0.058	3
	State Street Trust Co. Canada	A-1+	2021/07/30	CZK	19,170,000	CAD	1,108,092	0.058	0.058	(3)
	State Street Trust Co. Canada	A-1+	2021/07/14	EUR	790,000	CAD	1,201,092	1.520	1.470	(40)
	Goldman Sachs & Co., New York	A-1	2021/07/14	CAD	1,179,932	EUR	790,000	0.670	0.680	18
2	Toronto-Dominion Bank (The)	A-1+	2021/09/08	CAD	5,741,185	HKD	36,840,000	6.417	6.262	(141)
	Toronto-Dominion Bank (The)	A-1+	2021/09/23	IDR	55,514,985,000	USD	3,862,718	0.000070	0.000068	(110)
	Royal Bank of Canada	A-1+	2021/09/08	INR	193,855,000	USD	2,623,669	0.014	0.013	(46)
3	Toronto-Dominion Bank (The)	A-1+	2021/08/31	JPY	192,818,757	CAD	2,118,731	0.011	0.011	34
3	Toronto-Dominion Bank (The)	A-1+	2021/08/31	CAD	8,015,921	JPY	724,074,970	90.330	89.576	(67)
	Royal Bank of Canada	A-1+	2021/08/31	KRW	1,547,350,000	USD	1,368,525	0.001	0.001	1
	Goldman Sachs & Co., New York	A-1	2021/07/14	MXN	27,240,000	CAD	1,674,906	0.061	0.062	17
	Bank of Nova Scotia	A-1	2021/07/14	CAD	1,657,761	MXN	27,240,000	16.432	16.099	(34)
	Bank of New York Mellon (The), New York	A-1+	2021/07/26	NOK	8,930,000	CAD	1,300,533	0.146	0.144	(15)
	Bank of Nova Scotia	A-1	2021/07/26	NOK	27,260,000	CAD	4,106,622	0.151	0.144	(182)
	State Street Trust Co. Canada	A-1+	2021/07/26	CAD	1,105,155	NOK	7,620,000	6.895	6.945	8
	Toronto-Dominion Bank (The)	A-1+	2021/07/26	RUB	249,920,000	USD	3,206,672	0.013	0.014	245
	Toronto-Dominion Bank (The)	A-1+	2021/07/26	RUB	33,640,000	USD	454,779	0.014	0.014	4
	Toronto-Dominion Bank (The)	A-1+	2021/07/26	RUB	19,430,000	USD	250,548	0.013	0.014	18
	Bank of New York Mellon (The), New York	A-1+	2021/07/26	SEK	8,110,000	CAD	1,177,463	0.145	0.145	(3)
	Royal Bank of Canada	A-1+	2021/07/26	SEK	15,900,000	CAD	2,375,069	0.149	0.145	(72)
	Toronto-Dominion Bank (The)	A-1+	2021/07/26	CAD	3,492,618	SEK	24,010,000	6.875	6.902	14
	Bank of Montreal	A-1	2021/07/15	USD	10,790,000	CAD	13,529,754	1.254	1.240	(154)
	Goldman Sachs & Co., New York	A-1	2021/07/15	USD	1,510,000	CAD	1,864,548	1.235	1.240	7
	Goldman Sachs & Co., New York	A-1	2021/07/15	USD	430,000	CAD	534,619	1.243	1.240	(2)
	Royal Bank of Canada	A-1+	2021/07/15	USD	140,000	CAD	175,003	1.250	1.240	(1)
	Toronto-Dominion Bank (The)	A-1+	2021/07/15	USD	1,245,000	CAD	1,497,069	1.202	1.240	46
	Toronto-Dominion Bank (The)	A-1+	2021/07/15	USD	320,000	CAD	399,337	1.248	1.240	(3)
	Bank of New York Mellon (The), New York	A-1+	2021/07/15	CAD	1,064,077	USD	880,000	0.827	0.807	(27)
	Goldman Sachs & Co., New York	A-1	2021/07/15	CAD	1,124,324	USD	930,000	0.827	0.807	(28)
	State Street Trust Co. Canada	A-1+	2021/07/15	CAD	1,629,930	USD	1,300,000	0.798	0.807	18
	State Street Trust Co. Canada	A-1+	2021/07/15	CAD	1,259,307	USD	1,000,000	0.794	0.807	20
<b>Derivative Assets and Liabilities - Forwards</b>										<b>(501)</b>

\* The credit rating of each counterparty (as rated by S&P Global Ratings, a division of S&P Global) of the forward foreign currency contracts held by the Pool meets or exceeds the minimum designated rating.

\*\* See corresponding reference number on the Schedule of Investment Portfolio.

## Imperial Overseas Equity Pool

### Supplemental Schedule to Schedule of Investment Portfolio (unaudited)

#### Offsetting Arrangements (note 2d)

(in 000s)

The Pool may enter into various master netting arrangements or other 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 set off in certain circumstances, such as bankruptcy or the termination of the contracts.

The following table reconciles the net amount of "Over-The-Counter" derivatives presented in the Statements of Financial Position, as at June 30, 2021 and December 31, 2020, to:

- The gross amount before offsetting required under IFRS; and
- The net amount after offsetting under the terms of master netting arrangements or other similar arrangements, but which do not meet the criteria for offsetting under IFRS.

Financial Assets and Liabilities	Amounts Offset			Amounts Not Offset			Net
	Gross Assets (Liabilities)	Amounts Offset Under IFRS	Net Amounts Presented on Statements of Financial Position	Master Netting Arrangements	Cash Collateral Received		
<b>As at June 30, 2021</b>							
OTC Derivative Assets	\$ 567	\$ –	\$ 567	\$ (514)	\$ –	\$ –	\$ 53
OTC Derivative Liabilities	(1,068)	–	(1,068)	514	–	–	(554)
<b>Total</b>	\$ (501)	\$ –	\$ (501)	\$ –	\$ –	\$ –	\$ (501)
<b>As at December 31, 2020</b>							
OTC Derivative Assets	\$ 811	\$ –	\$ 811	\$ (251)	\$ –	\$ –	\$ 560
OTC Derivative Liabilities	(251)	–	(251)	251	–	–	–
<b>Total</b>	\$ 560	\$ –	\$ 560	\$ –	\$ –	\$ –	\$ 560

#### Interests in Underlying Funds (note 4)

As at June 30, 2021 and December 31, 2020, the Pool had no investments in underlying funds where the ownership exceeded 20% of each underlying fund.

## Imperial Overseas Equity Pool

### Financial Instrument Risks

Investment Objective: Imperial Overseas Equity Pool (referred to as the *Pool*) seeks to provide long-term growth through capital appreciation by investing primarily in equity securities of non-North American issuers including preferred shares, warrants, securities convertible into equity securities, and other common share equivalents.

Investment Strategies: The Pool employs a combination of investment styles such as growth, value-oriented, and core strategies when making investment decisions and will analyze several investment criteria in the investment decision-making process such as country/region selection, currency allocation, and sector/security level analysis. Security selection will be based primarily on a detailed bottom-up approach.

Significant risks that are relevant to the Pool are discussed here. General information on risk management and specific discussion on concentration, credit, currency, interest rate, liquidity, and other price/market risk can be found in note 2 of the financial statements.

In the following risk tables, Net Assets is defined as meaning "Net assets attributable to holders of redeemable units".

#### Concentration Risk as at June 30, 2021 and December 31, 2020

The Schedule of Investment Portfolio presents the securities held by the Pool as at June 30, 2021.

The following table presents the investment sectors held by the Pool as at December 31, 2020, and groups the securities by asset type, industry sector, geographic region, or currency exposure:

As at December 31, 2020

Portfolio Breakdown	% of Net Assets
<b>Canadian Equities</b>	0.8
<b>International Equities</b>	
Australia	3.9
Belgium	0.6
China	1.0
Denmark	3.4
Finland	0.5
France	11.8
Germany	6.9
Hong Kong	2.0
India	0.5
Ireland	2.5
Italy	1.4
Japan	15.6
Luxembourg	0.4
Macau	0.1
Mexico	0.1
Netherlands	5.4
New Zealand	0.2
Norway	0.2
Singapore	0.4
South Korea	1.3
Spain	2.2
Sweden	2.0
Switzerland	10.9
Taiwan	0.9
United Kingdom	10.9
United States	6.3
<b>Margin</b>	0.3
<b>Derivative Assets (Liabilities)</b>	0.3
<b>Other Assets, less Liabilities</b>	7.2
<b>Total</b>	<b>100.0</b>

#### Credit Risk

Credit ratings represent a consolidation of the ratings provided by various outside service providers and are subject to change, which could be material.

See the Schedule of Investment Portfolio for counterparty from over-the-counter derivative contracts, where applicable.

As at June 30, 2021 and December 31, 2020, the Pool invested in debt securities with the following credit ratings:

Debt Securities by Credit Rating (note 2b)	% of Net Assets	
	June 30, 2021	December 31, 2020
'AAA'	4.5	-
'AA'	0.4	-
<b>Total</b>	<b>4.9</b>	-

### Currency Risk

The tables that follow indicate the currencies to which the Pool had significant exposure as at June 30, 2021 and December 31, 2020, based on the market value of the Pool's financial instruments (including cash and cash equivalents) and the underlying principal amounts of forward foreign currency contracts, as applicable.

As at June 30, 2021

Currency (note 2m)	Total Currency Exposure* (\$000s)	% of Net Assets
EUR	88,384	29.4
USD	46,210	15.4
JPY	39,807	13.2
GBP	32,317	10.7
CHF	24,929	8.3
AUD	13,031	4.3
DKK	11,632	3.9
SEK	6,811	2.3
KRW	5,574	1.9
NOK	5,156	1.7
RUB	5,117	1.7
IDR	4,679	1.6
INR	3,206	1.1
HKD	3,181	1.1
CZK	2,274	0.8
BRL	1,521	0.5
SGD	1,396	0.5

\* Amounts reflect the carrying value of monetary and non-monetary items (including the notional amount of forward foreign currency contracts, if any).

As at December 31, 2020

Currency (note 2m)	Total Currency Exposure* (\$000s)	% of Net Assets
EUR	74,504	27.4
JPY	60,011	22.1
GBP	36,648	13.5
USD	24,659	9.1
CHF	17,606	6.5
AUD	16,712	6.2
SEK	8,637	3.2
DKK	6,478	2.4
NOK	5,306	2.0
IDR	4,920	1.8
RUB	4,787	1.8
MXN	3,194	1.2
INR	1,882	0.7
HKD	1,826	0.7
COP	1,611	0.6
SGD	1,523	0.6
ILS	1,448	0.5
TWD	(1,578)	(0.6)

\* Amounts reflect the carrying value of monetary and non-monetary items (including the notional amount of forward foreign currency contracts, if any).

The table that follows indicates how net assets as at June 30, 2021 and December 31, 2020 would have decreased or increased had the Canadian dollar strengthened or weakened by 1% in relation to all foreign currencies. This analysis assumes that all other variables remain unchanged. In practice, the actual results may differ from this analysis and the difference could be material.

	June 30, 2021	December 31, 2020
<b>Impact on Net Assets (\$000s)</b>	<b>2,986</b>	<b>2,735</b>

#### Interest Rate Risk

As at June 30, 2021 and December 31, 2020, the majority of the Pool's financial assets and liabilities are non-interest bearing and short-term in nature; accordingly, the Pool is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

## Imperial Overseas Equity Pool

### Liquidity Risk

Liquidity risk is the risk that the Pool will encounter difficulty in meeting obligations associated with financial liabilities. The Pool is exposed to daily cash redemptions of redeemable units. The Pool maintains sufficient cash on hand to fund anticipated redemptions.

With the exception of derivative contracts, where applicable, all of the Pool's financial liabilities are short-term liabilities maturing within 90 days after the period end.

For pools that hold derivative contracts with a term-to-maturity that exceeds 90 days from the period end, further information related to those contracts can be referenced in the derivative schedules following the Schedule of Investment Portfolio.

### Other Price/Market Risk

The table that follows indicates how net assets as at June 30, 2021 and December 31, 2020 would have increased or decreased had the value of the Pool's benchmark(s) increased or decreased by 1%. This change is estimated based on the historical correlation between the return of Class A units of the Pool as compared to the return of the Pool's benchmark(s), using 36 monthly data points, as available, based on the monthly net returns of the Pool. This analysis assumes that all other variables remain unchanged. The historical correlation may not be representative of the future correlation and, accordingly, the impact on net assets could be materially different.

Benchmark	Impact on Net Assets (\$000s)	
	June 30, 2021	December 31, 2020
MSCI EAFE Index	3,391	3,040

### Fair Value Measurement of Financial Instruments

The following is a summary of the inputs used as at June 30, 2021 and December 31, 2020 in valuing the Pool's financial assets and financial liabilities, carried at fair value:

#### As at June 30, 2021

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
<b>Financial Assets</b>				
Short-Term Investments	–	14,874	–	14,874
Equities	37,273	240,845	–	278,118
Derivative assets	–	567	–	567
<b>Total Financial Assets</b>	<b>37,273</b>	<b>256,286</b>	<b>–</b>	<b>293,559</b>
<b>Financial Liabilities</b>				
Derivative liabilities	(474)	(1,068)	–	(1,542)
<b>Total Financial Liabilities</b>	<b>(474)</b>	<b>(1,068)</b>	<b>–</b>	<b>(1,542)</b>
<b>Total Financial Assets and Liabilities</b>	<b>36,799</b>	<b>255,218</b>	<b>–</b>	<b>292,017</b>

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

#### As at December 31, 2020

Classification	Level 1 (i) (\$000s)	Level 2 (ii) (\$000s)	Level 3 (iii) (\$000s)	Total (\$000s)
<b>Financial Assets</b>				
Equities	31,152	219,357	–	250,509
Derivative assets	231	811	–	1,042
<b>Total Financial Assets</b>	<b>31,383</b>	<b>220,168</b>	<b>–</b>	<b>251,551</b>
<b>Financial Liabilities</b>				
Derivative liabilities	–	(251)	–	(251)
<b>Total Financial Liabilities</b>	<b>–</b>	<b>(251)</b>	<b>–</b>	<b>(251)</b>
<b>Total Financial Assets and Liabilities</b>	<b>31,383</b>	<b>219,917</b>	<b>–</b>	<b>251,300</b>

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

### Transfer of assets between Level 1 and Level 2

Financial assets and liabilities transferred from Level 1 to Level 2 are the result of securities no longer being traded in an active market.

	June 30, 2021	December 31, 2020
<b>Fair value of assets transferred from Level 1 to Level 2 during the period (\$000s)</b>	<b>1,269</b>	<b>–</b>

Financial assets and liabilities transferred from Level 2 to Level 1 are the result of securities now being traded in an active market.

	June 30, 2021	December 31, 2020
<b>Fair value of assets transferred from Level 2 to Level 1 during the period (\$000s)</b>	<b>2,530</b>	<b>–</b>

### Reconciliation of financial asset and liability movement – Level 3

The Pool did not hold any Level 3 investments at the beginning of, during, or at the end of either reporting period.

# Notes to Financial Statements (unaudited)

As at and for the periods as disclosed in the financial statements (note 1)

## 1. Organization of the Funds and Financial Reporting Periods

The Imperial Pools consist of Imperial Money Market Pool, Imperial Short-Term Bond Pool, Imperial Canadian Bond Pool, Imperial Canadian Diversified Income Pool, Imperial International Bond Pool, Imperial Equity High Income Pool, Imperial Canadian Dividend Income Pool, Imperial Global Equity Income Pool, Imperial Canadian Equity Pool, Imperial U.S. Equity Pool, Imperial International Equity Pool, Imperial Overseas Equity Pool, and Imperial Emerging Economies Pool (referred to as individually, a *Pool*, and collectively, the *Pools*).

The Income Generation Portfolios consist of Conservative Income Portfolio, Balanced Income Portfolio and Enhanced Income Portfolio (referred to as individually, a *Portfolio*, and collectively, the *Portfolios*).

Each of the Imperial Pools and Income Generation Portfolios (referred to as individually, a *Fund*, and collectively, the *Funds*) is a mutual fund trust organized under the laws of Ontario and governed by a declaration of trust (referred to as *Declaration of Trust*). The address of the Funds' head office is Brookfield Place, 161 Bay Street, 22<sup>nd</sup> Floor, Toronto, Ontario M5J 2S1.

Canadian Imperial Bank of Commerce (referred to as *CIBC*) is the manager (referred to as the *Manager*) of the Funds and CIBC Trust Corporation is the trustee (referred to as the *Trustee*) of the Funds. Each Fund may issue an unlimited number of classes of units and an unlimited number of units of each class. As at the date of these financial statements, each of the Pools offer Class A units for sale, and the Imperial Equity High Income Pool, Imperial Canadian Dividend Income Pool and Imperial Global Equity Income Pool also offer Class W units for sale. The Conservative Income Portfolio offers Class T3 and Class T4 units, the Balanced Income Portfolio offers Class T4 and Class T5 units, and the Enhanced Income Portfolio offers Class T5 and Class T6 units for sale.

The date upon which each Fund was established by Declaration of Trust (referred to as *Date Established*) and the date upon which units of each Fund were first sold to the public (referred to as *Inception Date*) are reported in the footnote *Organization of the Fund* on the Statements of Financial Position.

The Schedule of Investment Portfolio of each Fund is as at June 30, 2021. The Statements of Financial Position of each of the Funds are as at June 30, 2021 and December 31, 2020. The Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Holders of Redeemable Units, and Statements of Cash Flows of each of the Funds are for the six-month periods ended June 30, 2021 and 2020, except for Funds established during either year, in which case the information presented is from the Date Established or the Inception Date to June 30, 2021 and 2020.

These financial statements were approved for issuance by the Manager on August 17, 2021.

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with International Accounting Standards Interim Reporting 34 as published by the International Accounting Standards Board.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with International Financial Reporting Standards (*IFRS*). Accordingly, the Funds' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value for transactions with unitholders. In applying IFRS, these financial statements include estimates and assumptions made by management that affect the reported amounts of assets, liabilities, income, and expenses during the reporting periods. However, existing circumstances and assumptions may change due to market changes or circumstances arising beyond the control of the Funds. Such changes are reflected in the assumptions when they occur.

These financial statements have been presented in Canadian dollars, which is the Funds' functional currency (unless otherwise noted).

### a) Financial Instruments

#### Classification and recognition of financial instruments

Under IFRS 9 *Financial Instruments*, the Funds classify financial assets into one of three categories based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those categories are:

- *Amortized Cost* - Assets held within a business model whose objective is to collect cash flows and where the contractual cash flows of the assets are solely payments of principal and interest (referred to as *SPPI criterion*). Amortization of the asset is calculated utilizing the Effective Interest Rate Method.
- *Fair Value Through Other Comprehensive Income* (referred to as *FVOCI*) - Financial assets such as debt instruments that meet the SPPI criterion and are held within a business model with objectives that include both collecting the associated contractual cash flows and selling financial assets. Gains and losses are reclassified to profit or loss upon derecognition for debt instruments but remain in other comprehensive income for equity instruments.
- *Fair Value Through Profit or Loss* (referred to as *FVTPL*) - A financial asset is measured at FVTPL unless it is measured at Amortized Cost or FVOCI. Derivative contracts are measured at FVTPL. For all instruments classified as FVTPL, the gains and losses are recognized in profit or loss.

Financial liabilities are classified at FVTPL when they meet the definition of held-for-trading or when they are designated as FVTPL on initial recognition using the fair value option.

The Manager has assessed the business models of the Funds and has determined that the Funds' portfolio of financial assets and financial liabilities are managed and performance is evaluated on a fair value basis in accordance with the Funds' risk management and investment strategies; therefore, classification and measurement of financial assets is FVTPL.

All Funds have contractual obligations to distribute cash to the unitholders. As a result, each Fund's obligation for net assets attributable to holders of redeemable units represents a financial liability and is presented at the redemption amount.

### b) Risk Management

The Funds' overall risk management approach includes formal guidelines that govern the extent of exposure to various types of risk, including diversification within asset classes and limits on the exposure to individual investments and counterparties. In addition, derivative financial instruments may be used to manage certain risk exposures. The Manager also has various internal controls to oversee the Funds' investment activities, including monitoring compliance with the investment objectives and strategies, internal guidelines, and securities regulations. Please refer to each Fund's *Supplemental Schedule to Schedule of Investment Portfolio* for specific risk disclosures.

#### Fair value of financial instruments by using valuation techniques

Financial instruments are valued at their fair value, which is defined as 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. Refer to note 3a to 3f for valuation of each specific type of financial instrument held by the Funds. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Funds use 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 price that is most representative of fair value based on the specific facts and circumstances.

For financial assets and financial liabilities that are not traded in an active market, fair value is determined using valuation techniques.

The Funds classify fair value measurement within a hierarchy, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (referred to as *Level 1*) and the lowest priority to unobservable inputs (referred to as *Level 3*). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable for the asset or liability.

If inputs are used to measure an asset's or a liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. Each Fund's fair value hierarchy classification of its assets and liabilities is included in the *Supplemental Schedule to Schedule of Investment Portfolio*.

The carrying values of all non-investment assets and liabilities approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

The Manager is responsible for performing the fair value measurements included in the financial statements of a Fund, including the Level 3 measurements. The Manager obtains pricing from third-party pricing vendors and the pricing is reviewed daily. At each financial reporting date, the Manager reviews and approves all Level 3 fair value measurements. The Funds also have a Valuation Committee that meets quarterly to perform detailed reviews of the valuations of investments held by the Funds, which includes discussion on Level 3 measurements.

**Credit risk**

Credit risk is the risk that a counterparty to a financial instrument, such as a fixed income security or a derivative contract, will fail to discharge an obligation or commitment that it has entered into with the Funds. The value of fixed income securities and derivatives as presented on the Schedule of Investment Portfolio includes consideration of the creditworthiness of the issuer and, accordingly, represents the maximum credit risk exposure of the Funds. Certain Funds may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low and these securities primarily have credit ratings of "A-1 (Low)" or higher (as rated by S&P Global Ratings, a division of S&P Global, or equivalent rating from another rating service).

The bond ratings noted in the "Financial Instruments Risk" section under sub-section "Credit Risk" represent ratings collected and disseminated by recognized third-party vendors. These ratings utilized by the Manager, while obtained from vendors skilled and recognized for bond rating services, may not be the same as those used directly by the portfolio advisor or portfolio sub-advisors. Ratings used by the portfolio advisor or portfolio sub-advisors could be higher or lower than those used for risk disclosure in the financial statements in compliance with their investment policy guidelines.

The Funds may engage in securities lending transactions. The credit risk related to securities lending transactions is limited by the fact that the value of cash or securities held as collateral by the Funds in connection with these transactions is at least 102% of the fair value of the securities loaned. The collateral and loaned securities are marked to market on each business day. Further information regarding the collateral and securities on loan can be found in the footnotes to the Statements of Financial Position and in note 2j.

**Currency risk**

Currency risk is the risk that the value of an investment will fluctuate due to changes in foreign exchange rates. Mutual funds may invest in securities denominated or traded in currencies other than the Funds' reporting currency.

**Interest rate risk**

Prices of fixed income securities generally increase when interest rates decline and decrease when interest rates rise. This risk is known as interest rate risk. Prices of longer-term fixed income securities will generally fluctuate more in response to interest rate changes than would shorter-term securities. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates.

**Liquidity risk**

The Funds are exposed to daily cash redemptions of redeemable units. Generally, the Funds retain sufficient cash and cash equivalent positions to maintain adequate liquidity. However, liquidity risk also involves the ability to sell an asset for cash easily and at a fair price. Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a Fund to sell such securities quickly or at a fair price. Difficulty in selling securities could result in a loss or lower return for a Fund.

**Other price/market risk**

Other price/market risk is the risk that the value of investments will fluctuate as a result of changes in market conditions. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events, such as pandemics or disasters which occur naturally or are exacerbated by climate change. Pandemics such as coronavirus disease 2019 (referred to as COVID-19) may adversely affect global markets and the performance of the Pools. All investments are exposed to other price/market risk.

**c) Investment Transactions, Income Recognition, and Recognition of Realized and Unrealized Gains and Losses**

- i) Interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight-line basis.
- ii) Dividend income is recorded on the ex-dividend date.
- iii) Investment transactions are recorded on a trade date basis. Securities that are exchange-traded are recorded at fair value established by the last traded market price when that price falls within that day's bid-ask spread. Debt securities are recorded at fair value, established by the last traded price on the over-the-counter market (referred to as *OTO*) when that 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 price that is most representative of fair value based on the specific facts and circumstances. Unlisted securities are recorded at fair value using fair valuation techniques established by the Manager in establishing a fair value.
- iv) Realized gains and losses on investments and unrealized appreciation or depreciation of investments are calculated using the average cost, excluding transaction costs, of the related investments.
- v) Other income is the sum of income, excluding transaction costs, other than that which is separately classified on the Statements of Comprehensive Income.

**d) Offsetting**

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position, if there is a currently enforceable legal 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.

Where applicable, additional information can be found in the table *Offsetting Arrangements* as part of the *Supplemental Schedule to Schedule of Investment Portfolio*. This supplemental schedule discloses the OTC derivatives which are subject to offsetting.

**e) Portfolio Securities**

The cost of securities of a Fund is determined in the following manner: securities are purchased and sold at a market-traded price to arrive at a value for the position traded. The total purchased value represents the total cost of the security to the Fund. When additional units of the same security are purchased, the cost of those additional units is added to the total security cost. When units of the same security are sold, the proportionate cost of the units of the security sold is deducted from the total security cost. If there is a return of capital paid by a security, the amount of this return of capital is deducted from the total security cost. This method of tracking security cost is known as "average cost" and the current total for any one security is referred to as the "adjusted cost base" or "ACB" of the security. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in net income and are presented as a separate expense item in the financial statements.

The difference between the fair value of securities and their average cost, excluding transaction costs, represents the unrealized appreciation (depreciation) in value of the portfolio investments. The applicable period change in unrealized appreciation (depreciation) of investments is included on the Statements of Comprehensive Income.

Short-term investments on the Schedule of Investment Portfolio are presented at their amortized cost which approximates the fair value. Accrued interest for bonds is disclosed separately on the Statements of Financial Position.

**f) Foreign Exchange**

The value of investments and other assets and liabilities denominated in foreign currencies is translated into Canadian dollars, which is the Funds' functional and presentation currency at the current rates prevailing on each valuation date (unless otherwise indicated).

Purchases and sales of investments, income, and expenses are translated into Canadian dollars, which is the Funds' functional and presentation currency at the foreign exchange rates prevailing on the dates of such transactions. Foreign currency translation gains (losses) on investments and income transactions are included in Net realized gain (loss) on foreign currency on the Statements of Comprehensive Income.

**g) Forward Foreign Currency Contracts**

The Funds may enter into forward foreign currency contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities.

Changes in the fair value of forward foreign currency contracts are included in derivative assets or derivative liabilities on the Statements of Financial Position and are recorded as an Increase (decrease) in unrealized appreciation (depreciation) of investments and derivatives during the applicable period on the Statements of Comprehensive Income.

## Notes to Financial Statements (unaudited)

The gain or loss arising from the difference between the value of the original forward foreign currency contract and the value of such contract at close or delivery is realized and recorded as Net realized gain (loss) on foreign currency for Funds that use the forward foreign currency contracts for hedging or as Derivative income (loss) for Funds that do not use the forward foreign currency contracts for hedging.

### h) Futures Contracts

The Funds may enter into futures contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities.

The margin deposits with brokers relating to futures contracts are included in Margin on the Statements of Financial Position. Any change in the margin requirement is settled daily and included in Receivable for portfolio securities sold or Payable for portfolio securities purchased on the Statements of Financial Position.

Any difference between the settlement value at the close of business on each valuation date and the settlement value at the close of business on the previous valuation date is recorded as Derivative income (loss) on the Statements of Comprehensive Income.

### i) Options

The Funds may enter into options contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities.

Premiums paid for purchased call and put options are included in derivative assets and subsequently measured at fair value on the Statements of Financial Position. When a purchased option expires, the Fund will realize a loss in the amount of the cost of the option. For a closing transaction, the Fund will realize a gain or loss depending on whether the proceeds are greater or less than the premium paid at the time of purchase. When a purchased call option is exercised, the cost of the security purchased is increased by the premium paid at the time of purchase.

Premiums received from writing options are included in derivative liabilities and subsequently measured at fair value on the Statements of Financial Position as initial reductions in the value of investments. Premiums received from writing options that expire unexercised are recorded as realized gains and reported as Net gain (loss) on sale of investments and derivatives on the Statements of Comprehensive Income. For a closing transaction, if the cost of closing the transaction exceeds the premium received, the Fund will record a realized loss or, if the premium received at the time the option was written is greater than the amount paid, the Fund will record a realized gain and is reported as Net gain (loss) on sale of investments and derivatives. If a written put option is exercised, the cost for the security delivered is reduced by the premiums received at the time the option was written.

### j) Securities Lending

A Fund may lend portfolio securities in order to earn additional revenue, which is disclosed on the Statements of Comprehensive Income. The loaned assets of any one Fund are not permitted to exceed 50% of the fair value of the assets of that Fund (excluding collateral debt for the loaned securities). The minimum allowable collateral is 102% of the fair value of the loaned securities as per the requirements of National Instrument 81-102 – *Investment Funds*. Collateral can consist of the following:

- i) Cash.
- ii) Qualified securities.
- iii) Irrevocable letters of credit issued by a Canadian financial institution that is not the counterparty, or an affiliate counterparty, of the pool in the transaction, if evidences of indebtedness of the Canadian financial institution that are rated as short-term debt by an approved credit rating organization have an approved credit rating.
- iv) Securities that are immediately convertible into securities of the same issuer, class, or type, and the same term, as the securities loaned.

The fair value of the loaned securities is determined on the close of any valuation date and any additional required collateral is delivered to the Pool on the next business day. The securities on loan continue to be included on the Schedule of Investment Portfolio, and are included in the total value on the Statements of Financial Position in Investments (non-derivative financial assets) at fair value. Where applicable, a Fund's securities lending transactions are reported in the footnote *Securities Lending* on the Statements of Financial Position.

National Instrument 81-106 – *Investment Fund Continuous Disclosure* requires a reconciliation of the gross income amount generated from the securities lending transactions of the Funds to the revenue from securities lending disclosed in the Funds' Statements of Comprehensive Income. The gross amount generated from securities lending includes interest paid on collateral, withholding taxes deducted, the fees paid to the Funds' lending agent and the securities lending revenue received by the Funds. Where applicable, the reconciliation can be found in the footnotes to the Funds' Statements of Comprehensive Income.

### k) Multi-Class Structured Funds

The realized and unrealized capital gains or losses, income, and common expenses (other than class-specific operating expenses and management fees) of the Fund are allocated on each valuation date to the unitholders in proportion to the respective prior day's net asset value, which includes unitholder trades dated for that day, of each class of units at the date on which the allocation is made. All class-specific operating expenses and management fees do not require allocation. All class-specific operating expenses are paid by the Manager and are collected from the Funds on a recoverable basis.

### l) Loans and Receivables, Other Assets and Liabilities

Loans and receivables, other assets and liabilities are recorded at cost, which approximates their fair value, with the exception of Net Assets Attributable to Holders of Redeemable Units which are presented at the redemption value.

### m) Legend of Abbreviations

The following is a list of abbreviations (foreign currency translation and others) that may be used in the Schedule of Investment Portfolio:

#### Currency Abbreviations

AED	– United Arab Emirates Dirham	JPY	– Japanese Yen
ARS	– Argentine Peso	KES	– Kenyan Shilling
AUD	– Australian Dollar	KRW	– South Korean Won
BRL	– Brazilian Real	MAD	– Morocco Dirham
CAD	– Canadian Dollar	MXN	– Mexican Peso
CHF	– Swiss Franc	MYR	– Malaysian Ringgit
CLP	– Chilean Peso	NOK	– Norwegian Krone
CNY	– Chinese Renminbi	NZD	– New Zealand Dollar
COP	– Colombian Peso	PHP	– Philippine Peso
CZK	– Czech Koruna	PLN	– Polish Zloty
DKK	– Danish Krone	RON	– Romanian Leu
EGP	– Egyptian Pound	RUB	– Russian Ruble
EUR	– Euro	SEK	– Swedish Krona
GBP	– British Pound	SGD	– Singapore Dollar
GEL	– Georgian Lari	THB	– Thai Baht
HKD	– Hong Kong Dollar	TRY	– New Turkish Lira
HUF	– Hungarian Forint	TWD	– Taiwan Dollar
IDR	– Indonesian Rupiah	USD	– United States Dollar
ILS	– Israeli Shekel	ZAR	– South African Rand
INR	– Indian Rupee		

## Other Abbreviations

ADR	– American Depositary Receipt	ETF	– Exchange-Traded Fund
CVO	– Contingent Value Obligations	GDR	– Global Depositary Receipt Securities
ELN	– Equity Linked Note	NVDR	– Non-Voting Depositary Receipt

**n) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit**

Increase (decrease) in net assets attributable to holders of redeemable units per unit of each class is calculated by dividing the Increase (decrease) in net assets attributable to holders of redeemable units (excluding distributions), as reported on the Statements of Comprehensive Income, by the weighted average number of units in issue during the related period.

**3. Valuation of Investments**

The valuation date (referred to as *Valuation Date*) for a Fund is any day when the Manager's head office is open for business. The Manager may, at its discretion, establish other Valuation Dates.

The fair value of the investments or assets of a Fund is determined as follows:

**a) Cash and Other Assets**

Cash, accounts receivable, dividends receivable, distributions receivable, and interest receivable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current Valuation Date, which approximates fair value.

**b) Bonds, Debentures, and Other Debt Obligations**

Bonds, debentures, and other debt obligations are fair valued using the last traded price provided by a recognized vendor upon the close of trading on a Valuation Date, whereby the last traded price falls within that day's bid-ask spread. If the last traded price does not fall within that day's bid-ask spread, then the Manager will determine the price that is most representative of fair value based on the specific facts and circumstances.

**c) Listed Securities, Unlisted Securities, and Fair Value Pricing of Foreign Securities**

Any security that is listed or traded on a securities exchange is fair valued using the last traded price, whereby the last traded price falls within that day's bid-ask spread or, if there is no traded price on that exchange or the last traded price does not fall within that day's bid-ask spread and in the case of securities traded on an OTC market, at the fair value as determined by the Manager as an appropriate basis for valuation. In such situations, a fair value will be determined by the Manager to establish current value. If any securities are inter-listed or traded on more than one exchange or market, the Manager will use the principal exchange or market for the fair value of such securities.

Units of each mutual fund in which a Fund invests will be valued at fair value using the most recent net asset value quoted by the Trustee or Manager of the mutual fund on the Valuation Date.

Unlisted securities are fair valued using the last traded price quoted by a recognized dealer, or the Manager may determine a price that more accurately reflects the fair value of these securities if the Manager feels the last traded price does not reflect fair value.

Fair value pricing is designed to avoid stale prices and to provide a more accurate fair value, and may assist in the deterrence of harmful short-term or excessive trading in the Fund. When securities listed or traded on markets or exchanges that close prior to North or South American markets or exchanges are valued by the Manager at their fair market value, instead of using quoted or published prices, the prices of such securities used to calculate the Fund's net assets or net asset value may differ from quoted or published prices of such securities.

**d) Derivatives**

Long positions in options, debt-like securities, and listed warrants are valued at fair value using the last traded price as established on either their principal trading exchange or by a recognized dealer in such securities, whereby the last traded price falls within that day's bid-ask spread and the credit rating of each counterparty (as rated by S&P Global Ratings, a division of S&P Global) meets or exceeds the minimum designated rating.

When any option is written by any Fund, the premium received by the Fund will be reflected as a liability that will be valued at an amount equal to the current fair value of the option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the liability shall be deducted in arriving at the net assets attributable to holders of redeemable units of the Fund. The securities that are the subject of a written option, if any, will be valued in the manner described above for listed securities.

Futures contracts, forward contracts, or swaps will be valued at fair value of the gain or loss, if any, that would be realized on the Valuation Date if the position in the futures contracts, forward contracts, or swaps were to be closed out.

Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as collateral.

Other derivatives and margin are fair valued in a manner that the Manager determines to represent their fair value.

**e) Restricted Securities**

Restricted securities purchased by any Fund will be fair valued in a manner that the Manager determines to represent their fair value.

**f) Other Investments**

All other investments of the Funds will be fair valued in accordance with the laws of the Canadian securities regulatory authorities, where applicable.

The value of any security or other property of a Fund for which a market quotation is not readily available or where the market quotations do not properly reflect the fair value of such securities will be determined by the Manager by valuing the securities at their fair value. In such situations, fair value will be determined using the fair valuation technique that most accurately reflects the fair value as established by the Manager.

**4. Interest in Underlying Funds**

The Funds may invest in other investment funds (*Underlying Funds*). Each Underlying Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for its unitholders. Each Underlying Fund finances its operations primarily through the issuance of redeemable units, which are puttable at the unitholder's option and entitle the unitholder to a proportionate share of the underlying fund's net assets. The Fund's interests in Underlying Funds held in the form of redeemable units, are reported in its Schedule of Investments at fair value, which represents the Funds' maximum exposure on those investments. The Funds' interests in underlying funds as at the prior year period ends are presented in the "Financial Instruments Risk" section under sub-section "Credit Risk" in the *Supplemental Schedule to Schedule of Investment Portfolio*. Distributions earned from Underlying Funds are included in "Investment Income" in the Statements of Comprehensive Income. The total realized and change in unrealized gains (losses) arising from Underlying Funds are also included in the Statements of Comprehensive Income. The Funds do not provide any additional significant financial or other support to Underlying Funds.

Where applicable, the table "Interests in Underlying Funds" presented as part of the *Supplemental Schedule to Schedule of Investment Portfolio*, provides additional information on the Funds' investments in Underlying Funds where the ownership interest exceeds 20% of each Underlying Fund.

**5. Redeemable Units Issued and Outstanding**

Each Fund is permitted to have an unlimited number of classes of units and may issue an unlimited number of units of each class. The outstanding units represent the capital of a Fund. Each unit has no par value and the value of each unit is the net assets attributable to holders of redeemable units per unit next determined. Settlement of the cost for units issued is completed as per security regulations in place at the time of issue. Distributions made by a Fund and reinvested by unitholders in additional units also constitute issued redeemable units of a Fund.

Units are redeemed at the net assets attributable to holders of a redeemable unit per unit of a Fund. A right to redeem units of a Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange within Canada or outside of Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of a Fund, not including any liabilities of a Fund, are traded and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for a Fund. The Fund is not subject to any externally imposed capital requirements.



## Notes to Financial Statements (unaudited)

The capital received by a Fund is utilized within the respective investment mandate of the Fund. This includes the ability to make liquidity available to satisfy unitholder unit redemption requirements upon the unitholder's request.

Changes in issued and outstanding units for the six-month periods ended June 30, 2021 and 2020 can be found on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

### 6. Management Fees and Operating Expenses

Management fees are based on the net asset value of the Funds and are calculated daily. Management fees are paid to the Manager in consideration for providing, or arranging for the provision of, management, distribution, and portfolio advisory services. The maximum annual management fee expressed as a percentage of the average net asset value that can be charged by a Fund is reported in footnote *Maximum Chargeable Annual Management Fee Rates* on the Statements of Comprehensive Income.

In addition to the management fees, the Funds are responsible for all expenses relating to the operation and conduct of the business of the Funds, which may include interest, operating, and administrative costs (other than advertising and promotional expenses, which are the responsibility of the Manager), brokerage fees, commissions, spreads, regulatory fees, Independent Review Committee fees, taxes, audit and legal fees and expenses, safekeeping and custodial fees, investor servicing costs, and costs of unitholder reports, prospectuses, and other reports. All such operating expenses are paid by the Manager and recovered from the Funds. The Funds do not pay a fee to the Trustee.

The Manager may recover less than the actual operating expenses paid by the Manager, resulting in the Manager absorbing expenses. The Manager may also charge to a Fund less than the maximum management fee in footnote *Maximum Chargeable Annual Management Fee Rates* on the Statements of Comprehensive Income, resulting in the Manager waiving management fees.

At its sole discretion, the Manager may stop absorbing operating expenses and/or waiving management fees at any time. Operating expenses absorbed and/or management fees waived by the Manager are disclosed on the Statements of Comprehensive Income.

In some cases, the Manager may charge management fees to a Fund that are less than the management fees the Manager is entitled to charge in respect of certain investors in a Fund. The difference in the amount of the management fees will be paid out by the Fund to the applicable investors as a distribution of additional units of the Fund (*Management Fee Distributions*). Management Fee Distributions are negotiable between the Manager and the investor and are dependent primarily on the size of the investor's investment in the Fund. Management Fee Distributions paid to qualified investors do not adversely impact the Fund or any of the Fund's other investors. The Manager may increase or decrease the amount of Management Fee Distributions to certain investors from time to time.

Where a Fund invests in units of an Underlying Fund, the Fund does not pay duplicate management fees on the portion of its assets that it invests in units of the Underlying Fund. In addition, the Fund will not pay duplicate sales fees or redemption fees with respect to the purchase or redemption by it of units of the Underlying Fund. Some of the Underlying Funds held by the Funds may offer Management Fee Distributions. Such Management Fee Distributions of an Underlying Fund will be paid out as required for taxable distribution payments by a Fund. The manager of an Underlying Fund may, in some cases, waive a portion of an Underlying Fund's management fee and/or absorb a portion of an Underlying Fund's operating expenses.

### 7. Income Taxes and Withholding Taxes

The Funds qualify as mutual fund trusts under the *Income Tax Act* (Canada). No income tax is payable by the Funds on net income and/or net realized capital gains that are distributed to unitholders. In addition, income taxes payable on undistributed net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. Sufficient net income and realized capital gains of the Funds have been, or will be, distributed to the unitholders such that no tax is payable by the Funds and, accordingly, no provision for income taxes has been made in the financial statements. Occasionally, a Fund may pay distributions in excess of the net income and net realized capital gains of the Fund. This excess distribution is called a return of capital and is non-taxable to the unitholder. However, a return of capital reduces the average cost of the unitholder's units for tax purposes, which may result in a capital gain to the unitholder to the extent the average cost becomes less than zero.

Non-capital losses are available to be carried forward for 20 years.

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains realized in future years. Where applicable, a Fund's net capital and non-capital losses are reported in footnote *Net Capital and Non-Capital Losses* on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The Funds have a taxation year-end of December 15 (except Imperial Money Market Pool, which has a taxation year-end of December 31).

The Funds currently 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.

### 8. Brokerage Commissions and Fees

The total commissions paid by the Funds to brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund where applicable. In allocating brokerage business to a dealer, consideration may be given by the portfolio advisor or the portfolio sub-advisors of the Funds to the provision of goods and services by the dealer or a third party, other than order execution (referred to in the industry as "soft dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the portfolio advisor and the portfolio sub-advisors with their investment decision-making services to the Funds or relate directly to executing portfolio transactions on behalf of the Funds. The total soft dollar payments paid by the Funds to brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Fund. Any commission recaptured will be paid to the applicable Fund.

Fixed income and certain other securities are transacted in an OTC market, where participants are dealing as principals. Such securities are generally traded on a net basis and do not normally involve brokerage commissions, but will typically include a "spread" (being the difference between the bid and the offer prices on the security of the applicable marketplace).

Spreads associated with fixed income securities trading and certain other securities are not ascertainable and, for that reason, are not included in the dollar amounts. In addition, the soft dollar amounts only include the value of research and other services supplied by a third party to CIBC Asset Management Inc. (*CAMI* or the *Portfolio Advisor*) and any portfolio sub-advisors, as the value of the services supplied to the Portfolio Advisor and any portfolio sub-advisors by the dealer is not ascertainable. When these services benefit more than one Fund, the costs are allocated among the Funds based on transaction activity or some other fair basis as determined by the Portfolio Advisor and any portfolio sub-advisors.

### 9. Related Party Transactions

CIBC and its affiliates have the following roles and responsibilities with respect to the Funds and receive the fees described below in connection with their roles and responsibilities. The Funds may hold securities of CIBC. CIBC and its affiliates may also be involved in underwriting or lending to issuers of securities that may be held by the Funds, have purchased or sold securities from or to the Funds while acting as principal, have purchased or sold securities from or to the Funds on behalf of another investment fund managed by CIBC or an affiliate, and also may have been involved as a counterparty to derivative transactions. Management fees payable and other accrued expenses on the Statements of Financial Position are amounts generally payable to a related party of the Fund.

*Manager, Trustee, Portfolio Advisor, and certain Portfolio Sub-Advisors of the Funds*

CIBC is the Manager, CIBC Trust Corporation is the Trustee, and CAMI is the Portfolio Advisor of each of the Funds.

The Manager also arranges for fund administrative services (other than advertising and promotional, which are the responsibility of the Manager), legal, investor servicing, and costs of unitholder reports, prospectuses, and other reports. The Manager is the registrar and transfer agent for the Funds and provides, or arranges for the provision of, all other administrative services required by the Funds. The dollar amount (including all applicable taxes) of all fund administrative expenses (net of absorptions) that the Manager recovers from a Fund is reported in footnote *Administrative and Other Fund Operating Expenses* on the Statements of Comprehensive Income.

*Brokerage Arrangements and Soft Dollars*

The Portfolio Advisor generally delegates trading and execution authority to the portfolio sub-advisors. Where applicable, disclosure of the amounts of soft dollars can be found in the *Brokerage Commissions and Fees* schedule on the Statements of Comprehensive Income for each Fund.

The Portfolio Advisor and portfolio sub-advisors make decisions, including the selection of markets and dealers and the negotiation of commissions, with respect to the purchase and sale of portfolio securities, certain derivative products and the execution of portfolio transactions. Brokerage business may be allocated by the Portfolio Advisor and portfolio sub-advisors to CIBC World Markets Inc. and/or CIBC World Markets Corp., each a subsidiary of CIBC. The total commissions paid to related brokers in connection with portfolio transactions are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund.

CIBC World Markets Inc. and CIBC World Markets Corp. may also earn spreads on the sale of fixed income and other securities, and certain derivative products to the Funds. Dealers, including CIBC World Markets Inc. and CIBC World Markets Corp., may furnish goods and services, other than order execution, to the Portfolio Advisor and portfolio sub-advisors that process trades through them (referred to in the industry as "soft dollar" arrangements). These goods and services are paid for with a portion of brokerage commissions and assist the Portfolio Advisor and portfolio sub-advisors with their investment decision-making services to the Fund or relate directly to executing portfolio transactions on behalf of the Fund. As per terms of the portfolio advisory and sub-advisory agreements, such soft dollar arrangements

are in compliance with applicable laws. Custodial fees directly related to portfolio transactions incurred by a Fund, otherwise payable by the Fund, shall be paid by CAMI, and/or dealer(s) directed by CAMI, up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Fund, or a portion of the Fund, during that month. The total soft dollar payments paid by the Fund to related brokers are reported in footnote *Brokerage Commissions and Fees* on the Statements of Comprehensive Income of each Fund. In addition, the Manager may enter into commission recapture arrangements with certain dealers with respect to the Funds. Any commission recaptured will be paid to the relevant Fund.

*Custodian*

The custodian holds all cash and securities for the Funds and ensures that those assets are kept separate from any other cash or securities that the custodian might be holding. The custodian also provides other services to the Funds including record keeping and processing of foreign exchange transactions. CIBC Mellon Trust Company is the custodian of the Funds (the *Custodian*). The Custodian may hire sub-custodians for the Funds. The fees and spreads for services of the Custodian directly related to the execution of portfolio transactions by a Fund, or a portion of a Fund, are paid by CAMI and/or dealer(s) directed by CAMI up to the amount of the credits generated under soft dollar arrangements from trading on behalf of the Funds during that month. All other fees for the services of the Custodian are paid by the Manager, and charged to the Funds on a recoverable basis. CIBC owns a 50% interest in CIBC Mellon Trust Company.

*Service Provider*

CIBC Mellon Global Securities Services Company (referred to as *CIBC GSS*) provides certain services to the Funds, including securities lending, fund accounting and reporting, and portfolio valuation. Such servicing fees are paid by the Manager and charged to the Funds on a recoverable basis. CIBC indirectly owns a 50% interest in CIBC GSS.

The dollar amount paid by the Funds (including all applicable taxes) to CIBC Mellon Trust Company for custodial fees (net of absorptions) and to CIBC GSS for securities lending, fund accounting and reporting, and portfolio valuation (net of absorptions) for the six-month periods ended June 30, 2021 and 2020 is reported in footnote *Service Provider* on the Statements of Comprehensive Income.

**10. Hedging**

Certain foreign currency denominated positions have been hedged, or partially hedged, by forward foreign currency contracts as part of the investment strategies of certain Funds. These hedges are indicated by a hedging reference number on the Schedule of Investment Portfolio and a corresponding hedging reference number on the Schedule of Derivative Assets and Liabilities Forward Foreign Currency Contracts for those Funds.

**11. Collateral on Specified Derivatives**

Short-term investments may be used as collateral for futures contracts outstanding with brokers.

**Imperial Pools  
Income Generation Portfolios**

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