



# LetkoBrosseau

Letko Brosseau Infrastructure Equity Fund  
Letko Brosseau Fonds d'actions d'infrastructures

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## ANNUAL FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022  
(Expressed in Canadian Dollars)



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## INDEPENDENT AUDITORS' REPORT

To the Unitholders of  
**LETKO BROUSSEAU INFRASTRUCTURE EQUITY FUND**  
**LETKO BROUSSEAU FONDS D' ACTIONS D'INFRASTRUCTURES**

### *Opinion*

We have audited the financial statements of **LETKO BROUSSEAU INFRASTRUCTURE EQUITY FUND / LETKO BROUSSEAU FONDS D' ACTIONS D'INFRASTRUCTURES** (the "Fund"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of changes in net assets attributable to holders of redeemable units, statements of comprehensive income and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audit opinion.

### *Responsibilities of the Fund Manager and Those Charged with Governance for the Financial Statements*

The Fund Manager is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Fund Manager 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, the Fund Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Fund Manager 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.

### *Auditors' 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 auditors' 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 generally accepted auditing standards 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.

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

As part of an audit in accordance with Canadian generally accepted auditing standards 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 over-ride 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 the Fund Manager.
- Conclude on the appropriateness of the Fund Manager'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 auditors' 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as 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.

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Partnership of Chartered Professional Accountants

Montreal, March 21, 2024

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<sup>1</sup> By CPA auditor, public accountancy permit No. A122335



	2023 \$	2022 \$
<b>Current assets</b>		
Cash	41,023	28,003
Investments	14,609,333	12,749,830
Interest, dividends and other receivables	49,801	47,817
	<b>14,700,157</b>	<b>12,825,650</b>
<b>Current liabilities</b>		
Accrued expenses	15,335	13,815
<b>Net assets attributable to holders of redeemable units</b>	<b>14,684,822</b>	<b>12,811,835</b>

**Supplementary information**

<b>Number of redeemable units in circulation (note 6)</b>	1,387,818	1,342,848
<b>Net assets per unit attributable to holders of redeemable units (note 7)</b>	\$ 10.5812	\$ 9.5408

Approved by the Board of Directors of Letko, Brosseau & Associates Inc., Fund Manager

Daniel Brosseau, Director

Peter Letko, Director

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



	2023 \$	2022 \$
<b>Net assets attributable to holders of redeemable units, beginning of year</b>	12,811,835	11,699,485
<b>Change in net assets attributable to holders of redeemable units</b>	2,071,238	(140,316)
<b>Redeemable unit transactions</b>		
Proceeds from issuance	-	1,300,000
Reinvestment of distributions	650,510	985,296
Redemptions	(198,251)	(47,334)
	452,259	2,237,962
<b>Distributions to holders of redeemable units (note 7)</b>		
Net investment income	(638,047)	(703,217)
Net realized gain on sale of investments	(12,463)	(282,079)
	(650,510)	(985,296)
<b>Net assets attributable to holders of redeemable units, end of year</b>	14,684,822	12,811,835

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



	2023	2022
	\$	\$
<b>Investment income</b>		
Net interest income for distribution purposes	22,252	5,964
Dividend income	724,092	683,496
Net securities lending income (note 10)	2,002	1,548
Foreign exchange gain (loss) on cash	1,045	1,197
Net realized gain (loss) on sale of investments	12,321	291,143
Net changes in unrealized appreciation (depreciation) of investments	1,421,397	(1,031,219)
	<u>2,183,109</u>	<u>(47,871)</u>
<b>Expenses</b>		
Trustee fees (note 11)	8,604	8,762
Professional fees	14,926	11,873
Filing fees	19	326
Withholding taxes	84,741	61,294
Portfolio transaction costs	3,581	10,190
	<u>111,871</u>	<u>92,445</u>
<b>Change in net assets attributable to holders of redeemable units</b>	<b>2,071,238</b>	<b>(140,316)</b>
<b>Change in net assets per unit attributable to holders of redeemable units (note 4)</b>	<b>1.5140</b>	<b>(0.1103)</b>

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



	2023	2022
	\$	\$
<b>Cash flows from (used in) operating activities</b>		
Change in net assets attributable to holders of redeemable units	2,071,238	(140,316)
Adjustments or variations for:		
Foreign exchange (gain) loss on cash	(1,045)	(1,197)
Net realized (gain) loss on sale of investments	(12,321)	(291,143)
Net changes in unrealized (appreciation) depreciation of investments	(1,421,397)	1,031,219
Proceeds from sale or maturity of investments	3,397,931	5,512,989
Investments purchased	(3,822,311)	(7,393,911)
Interest, dividends and other receivables	(1,984)	1,609
Accrued expenses	1,520	4,205
	<u>211,631</u>	<u>(1,276,545)</u>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issuance of redeemable units	-	1,300,000
Amounts paid on redemptions of redeemable units	(198,251)	(47,334)
	<u>(198,251)</u>	<u>1,252,666</u>
<b>Change in cash</b>	<b>13,380</b>	<b>(23,879)</b>
Cash, beginning of year	28,003	47,699
Effect of exchange rate changes on foreign cash	(360)	4,183
<b>Cash, end of year</b>	<b>41,023</b>	<b>28,003</b>

**Supplementary information**

**Cash flows relating to operating activities:**

Interest received	\$ 22,398	\$ 5,859
Dividends received, net of withholding taxes	\$ 637,244	\$ 623,951

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



	Quantity	Cost \$	Fair Value \$
<b>Equities</b>			
<b>Energy</b>			
Koninklijke Vopak	8,325	406,451	369,122
Pembina Pipeline Corporation	5,425	212,746	247,489
Reliance Industries	7,175	546,796	591,310
		1,165,993	1,207,921
<b>Industrial Products</b>			
FedEx Corporation	1,100	260,011	366,923
Fraport AG Frankfurt Airport Services Worldwide	7,000	480,211	558,344
Globaltrans Investment	11,350	99,811	-
Grupo Aeroportuario del Centro Norte S.A.B. de C.V.	45,900	375,090	642,460
Sinotrans	524,000	255,440	289,349
		1,470,563	1,857,076
<b>Consumer Staples</b>			
First Pacific	1,114,225	491,745	585,162
<b>Health Care</b>			
Tenet Healthcare Corporation	4,075	290,422	406,060
<b>Real Estate</b>			
Concentradora Fibra Danhos S.A. de C.V.	336,200	449,164	548,693
Macerich Company	32,150	592,441	654,124
		1,041,605	1,202,817
<b>Communication Services</b>			
AT&T	29,650	858,218	656,039
BCE	2,675	167,213	139,555
Comcast Corporation	10,750	696,755	621,572
Rogers Communications	10,525	655,201	652,866
Telefonica	65,650	363,089	337,942
Telus Corporation	5,200	145,981	122,616
Verizon Communications	12,575	795,483	625,119
Vodafone Group	221,350	424,310	255,098
		4,106,250	3,410,807
<b>Utilities</b>			
AltaGas	8,375	217,106	232,993
Beijing Enterprises Holdings	114,000	487,516	522,657
Canadian Utilities	5,775	200,219	184,164
Capital Power Corporation	6,475	259,831	245,013
China Water Affairs Group	538,175	549,761	389,873
Companhia de Saneamento Básico do Estado de São Paulo	35,175	294,975	706,394
Companhia Paranaense de Energia	52,900	299,712	591,513
Companhia Paranaense de Energia New	13,225	65,379	137,241
EDP - Energias de Portugal	55,125	359,836	365,744
Endesa	9,575	288,929	257,461
Enel SpA	38,750	420,035	379,863

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



	Quantity	Cost \$	Fair Value \$
<b>Equities (continued)</b>			
<b>Utilities (continued)</b>			
Engie	17,425	298,936	404,019
Manila Water	1,628,200	701,853	721,141
Snam SpA	18,425	132,758	124,930
Superior Plus Corporation	11,475	165,961	110,504
Veolia Environnement	13,450	512,607	559,527
		5,255,414	5,933,037
<b>Total Equities</b>		13,821,992	14,602,880
	<b>Par Value</b>	<b>Cost \$</b>	<b>Fair Value \$</b>
<b>Money Market Securities</b>			
Province of British Columbia, notes 2024-02-22	5,000	6,741	6,453
<b>Total Money Market Securities</b>		6,741	6,453
<b>Portfolio Transaction Costs Included in the Securities' Cost</b>		(29,285)	
<b>Total Investments</b>		13,799,448	14,609,333

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



## 1. Establishment of the fund

The Letko Brosseau Infrastructure Equity Fund / Letko Brosseau Fonds d'actions d'infrastructures (the "Fund") is a private unit investment trust created under a trust agreement established on November 30, 2004, along with its related amendments, under the laws of the province of Ontario. The registered office is located at 155 Wellington Street West, Toronto, Ontario, Canada, M5V 3L3.

The trust agreement designates RBC Investor Services Trust as the trustee, custodian and accountant of the Fund (the "Trustee") and Letko, Brosseau & Associates Inc. as the manager of the Fund (the "Manager").

## 2. Basis of presentation

These financial statements, for which the functional and presentation currency is the Canadian dollar, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as published by the International Accounting Standards Board ("IASB") and comply with the requirements of the Canadian Securities Administrators ("CSA").

The financial statements were authorized for issue by the Manager's Board of Directors on March 21, 2024.

These financial statements have been prepared on a historical cost basis with the exception of cash and investments which are measured at fair value.

## 3. Change in accounting policy

### Amendment to IAS 1, Presentation of Financial Statements – Disclosure of Accounting Policies

The Fund adopted the amendment to IAS 1 in the current year. The amendment assists the Fund in deciding which accounting policies are to be disclosed in its financial statements. The amendment replaces all instances of the term 'significant accounting policies' with 'material accounting policy information'. The amendment has been applied prospectively and resulted in changes to the Fund's disclosures in its financial statements.

## 4. Material accounting policy information

### Financial instruments

#### Classification

The Fund classifies its financial assets based on both the Fund's business model for managing those financial assets and the associated contractual cash flow characteristics. Based on the Fund's objective of achieving long-term capital appreciation and the management and evaluation of the portfolio's performance on a fair value basis, the Fund applies the business model which requires that its portfolio, which includes cash and investments, be classified at fair value through profit or loss. All other financial assets and liabilities, with the exception of the Fund's obligation for net assets attributable to holders of redeemable units, are classified at amortized cost. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount as described in note 7.

#### Recognition and measurement

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of investments are recognized on the trade date. Subsequent to initial recognition, cash and investments are measured at fair value and gains and losses arising from changes in the fair value are recognized in the statements of comprehensive income. All other financial assets and financial liabilities are initially recognized on the date on which they originated and are subsequently measured at amortized cost.

Portfolio transaction costs incurred by the Fund for the sale and purchase of investments are expensed as incurred.



## 4. Material accounting policy information (continued)

### Financial instruments (continued)

#### Fair value

The fair value of the Fund's investments traded in active markets is determined using the quoted market prices at the close of trading on the date of the financial statements. The closing market price is either obtained from an accredited stock exchange where the security has the highest trading volume or from independent and renowned brokerage houses. In the event where the last closing market price does not fall within the bid-ask spread on the date of the financial statements, the Manager and the Trustee determine the point within the bid-ask spread that is most representative of fair value based on the facts and circumstances. Investment fund units held for trading that are not traded in active markets are measured at fair value based on their net asset value as determined by their trustee.

The Fund's accounting policies for measuring the fair value of its investments are consistent with those used to determine the net asset value for transactions with unitholders.

Information on the reliability of the fair value measurement of financial assets is disclosed in note 14. The transfer of a financial asset from one fair value hierarchy level to another is performed at the date of the event or change in circumstances which would justify a change in level.

#### Revenue recognition

Investment income is accounted for using the accrual method of accounting. Interest income for distribution purposes is recognized when it is earned. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities, except for zero coupon bonds which are amortized using the effective interest rate method. Dividends are recognized on the ex-dividend date and distributions on investment fund units are recorded at the ex-distribution date. Income from securities lending is recorded when earned. Realized gains and losses upon sale of investments are recognized on the trade date and are calculated using the average cost method.

#### Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates the transactions occur. Assets and liabilities denominated in a foreign currency are translated into Canadian dollars using the exchange rate prevailing at the date of the financial statements. Foreign exchange gains and losses are presented in the statements of comprehensive income.

#### Change in net assets per unit attributable to holders of redeemable units

This change, presented in the statements of comprehensive income, represents the variation in net assets per unit attributable to holders of redeemable units based on the average number of redeemable units that were in circulation during the year.

#### Use of estimates, judgments, and assumptions

The preparation of these financial statements in accordance with IFRS requires the Manager to make judgments in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most material accounting judgments and estimates that the Manager has made in preparing the financial statements.

#### Investment entity

The Manager has determined that the Fund meets the definition of an investment entity in accordance with IFRS 10 Consolidated Financial Statements. As a result, in the event the Fund holds an investment in a subsidiary, the Fund would account for this investment at fair value through profit or loss.



## 5. Future accounting standards

There are currently no new accounting standards, amendments to current standards or new interpretations that are effective for annual periods beginning on or after January 1, 2024 which would have a material effect on the Fund's financial statements.

## 6. Redeemable units in circulation

The Fund is authorized to issue an unlimited number of series of units each of which can contain an unlimited number of units, without par value. All units are voting, participating and redeemable by the unitholders at the net asset value.

Since its inception, the Fund has issued only one series of redeemable units.

	2023	2022
<b>Number of redeemable units in circulation, beginning of year</b>	1,342,848	1,123,237
<b>Number of redeemable units issued and redeemed during the year</b>		
Issued for cash and other consideration	-	123,798
Issued on reinvestment of distributions	63,854	100,652
Redeemed	(18,884)	(4,839)
<b>Number of redeemable units in circulation, end of year</b>	<b>1,387,818</b>	<b>1,342,848</b>

## 7. Valuation of redeemable units and distributions

The net asset value per unit, which represents the redemption amount, is determined by dividing the Fund's net assets at fair value by the number of redeemable units in circulation at the end of each valuation date.

Income from dividends, interest and securities lending, net of expenses of the Fund, is accounted for in the net assets attributable to holders of redeemable units. At the end of each month, income received, net of expenses paid, is distributed and reinvested as additional redeemable units or, at the discretion of the unitholders, is paid in cash. Realized gains and losses resulting from the sale of investments are accounted for in the net assets attributable to holders of redeemable units and net realized gains are distributed and reinvested at the end of the fiscal year as additional redeemable units or, at the discretion of the unitholders, are paid in cash. Upon request from the Manager, additional income and capital gain distributions may occur at different times during the fiscal year under exceptional circumstances.

## 8. Capital management

The capital of the Fund is represented by redeemable units issued and in circulation. According to its mission, substantially all of the Fund's capital is invested in securities. Information about the Fund's objectives, policies and procedures for managing its capital is disclosed in note 13. The Fund is not subject to any particular external requirement for managing its capital.



## 9. Related party transactions

The following table presents a summary of the transactions during the year between the Fund and related parties. Related parties are represented by the Manager, the investment funds and limited partnerships it manages, directors of the Manager, corporations controlled by the directors of the Manager, family members of the directors and a deferred profit-sharing plan for the benefit of the Manager's employees.

2023	Manager \$	Other related parties \$
<b>Redeemable units issued and redeemed</b>		
Issued for cash and other consideration	-	-
Issued on reinvestment of distributions	532,736	-
Redeemed	-	-
	532,736	-
<hr/>		
2022	Manager \$	Other related parties \$
<b>Redeemable units issued and redeemed</b>		
Issued for cash and other consideration	-	-
Issued on reinvestment of distributions	807,946	-
Redeemed	-	-
	807,946	-

These transactions took place in the normal course of operations and are measured at the net asset value at the date of the transactions.

As at December 31, related parties held units of the Fund with an aggregate fair market value of the following:

	2023 \$	2022 \$
Manager	12,171,866	10,476,161
Other related parties	-	-
	12,171,866	10,476,161

## 10. Net securities lending income

The Fund takes part in a securities lending program with the Trustee. Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to return the same securities to the Fund on a future date. In accordance with the terms of the program, the Fund receives collateral of at least 102% of the fair value of the securities on loan. The collateral consists primarily of debt securities with high credit ratings. The fair value of the securities loaned is determined in accordance with standard market practices and additional collateral is requested if necessary.



## 10. Net securities lending income (continued)

The table below presents the aggregate fair value of the securities on loan and collateral held under securities lending transactions as at December 31. The securities on loan continue to be included in the statements of financial position.

	2023	2022
	\$	\$
Total fair value of securities on loan	1,019,269	1,566,911
Total collateral held	1,039,924	1,604,706

Securities lending income reported in the statements of comprehensive income is net of securities lending charges which the Fund's Trustee is entitled to receive as per the terms of the program. For the years ended December 31, securities lending income was as follows:

	2023	2022
	\$	\$
Gross securities lending income	3,336	2,580
Securities lending charges	(1,334)	(1,032)
Net securities lending income	2,002	1,548
Securities lending charges as a % of the gross securities lending income	40.0%	40.0%

## 11. Fees

Trustee fees are calculated according to an agreement between the Manager and the Trustee.

Management fees of the Manager are invoiced directly to the unitholders.

## 12. Income taxes

In accordance with provisions of the Income Tax Act (Canada) and the Quebec Taxation Act, the Fund qualifies as a unit trust and is taxed on its income received and not distributed to unitholders. The Fund distributes to unitholders the total income from dividends, interest and securities lending, net of expenses and its net realized taxable capital gains.

## 13. Risks associated with financial instruments

### Analysis of risk management

The Fund has as its objective to generate capital appreciation through the creation of a well-diversified portfolio of publicly traded companies primarily exposed to global infrastructures, diversified across countries, industries and companies.

### Credit risk

The Fund's maximum exposure to credit risk is the fair value of debt securities included in investments, as well as interest, dividends and other receivables presented on the statements of financial position.

The credit risk associated with the Fund's investments in money market securities is insignificant given their short-term maturities.



### 13. Risks associated with financial instruments (continued)

#### Credit risk (continued)

The credit risk associated with securities lending transactions is considered minimal given the nature and the value of the collateral held by the Fund in connection with these transactions.

The risk of default on transactions with counterparties related to investments is considered minimal since the transaction would fail if either party did not fulfill its obligation.

#### Liquidity risk

The Fund's units are redeemable at the option of the holder thereby exposing the Fund to liquidity risk. Although the Fund is exposed to redemptions of units, liquidity risk is mitigated by the fact that the majority of its assets consists of investments traded on a stock exchange or an organized market, which can be readily liquidated. In addition, at the Manager's discretion, the Fund may pay the redemptions in securities instead of cash.

#### Market risks

For the disclosure of market risks, IFRS requires that a sensitivity analysis be presented showing the effects of reasonable possible changes in relevant risk variables on the value of net assets attributable to holders of redeemable units.

The Manager considers that this sensitivity analysis, showing the impact on the value of financial instruments from changes in the market, is based on a highly unlikely assumption that all other variables remain constant. Moreover, considering the many interrelationships between the various components of market risk, the Manager is of the opinion that it is not possible to quantify the impact of market fluctuations due to the interdependence of these components. Consequently, in practice, actual results may differ from the sensitivity analyses presented herein and differences could be material.

#### Price risk

Given the uncertainty regarding the investments' future prices, the Fund is exposed to the inherent risk associated with fluctuations in the market. Consequently, the maximum risk to which the Fund is exposed corresponds to the fair value of its investments.

The Manager's best estimate of the upward or downward impact on the Fund's investments and net assets as a result of reasonable probable changes in benchmark indices, with all other variables being equal, is as follows:

Benchmark indices	Changes in %	2023 Impact \$	2022 Impact \$
FTSE Canada 91 Day T-Bill Total Return Index	0.25	100	1,000
MSCI ACWI Infrastructure Total Return Net Index	3.00	437,000	376,000

#### Currency risk

The Fund holds securities of foreign issuers in its investment portfolio. The value of these securities is dependent on fluctuations in currency rates. These fluctuations may increase the short-term volatility of foreign securities in the markets and affect the short-term performance of the Fund.



### 13. Risks associated with financial instruments (continued)

#### Market risks (continued)

##### Currency risk (continued)

The Fund holds assets denominated in foreign currencies for which the distribution is as follows:

Foreign currencies	2023 % of net assets	2022 % of net assets
U.S. dollars	36.80	32.58
Euros	23.00	21.00
Hong Kong dollars	12.17	11.50
Mexican pesos	8.11	8.15
Other currencies representing less than 5% individually	6.65	6.72

As at December 31, 2023 an increase or decrease of 3% in the value of Canadian currency compared to foreign currencies, with all other variables being equal, would have resulted in an upward or downward variation of the Fund's investments and net assets of \$382,000 (2022: \$307,000).

##### Interest rate risk

Interest rate fluctuations have an insignificant impact on money market securities given their short-term maturities.

The Fund's investments in equities are exposed to interest rate risk. This is due to the fact that their value is dependent on the rate used in discounting future dividends and to the general effect from changes in interest rates on the economy as a whole, the availability of credit and the profitability of companies. The Manager believes that it is not possible to quantify the impact of the variations taking into account the interdependence of these components.

### 14. Information on fair value of financial instruments

The financial instruments measured at fair value are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination:

- Level 1: financial instruments for which the fair value is determined using quoted prices in active markets;
- Level 2: financial instruments for which the fair value is determined using pricing models based on market observable inputs;
- Level 3: financial instruments for which the fair value is determined using pricing models based on market unobservable inputs.



#### 14. Information on fair value of financial instruments (continued)

The investments held by the Fund and measured at fair value are classified as follows:

	Level 1	Level 2	Level 3	Total
2023	\$	\$	\$	\$
Equities	14,602,880	-	-	14,602,880
Money market securities	6,453	-	-	6,453
	14,609,333	-	-	14,609,333

	Level 1	Level 2	Level 3	Total
2022	\$	\$	\$	\$
Equities	12,550,280	-	-	12,550,280
Money market securities	199,550	-	-	199,550
	12,749,830	-	-	12,749,830

No investments were transferred within the levels during the years ended December 31, 2023 and 2022.

The financial instruments not measured at fair value through profit or loss are short term financial assets and liabilities whose carrying amounts approximate fair value.

#### 15. Filing exemption for financial statements

The Fund has advised the CSA that it is exempt under section 2.11 of NI 81-106 from annual filing requirements to the Canadian regulation authorities since all the requirements have been met.