



## Management Report of Fund Performance

For the period ended  
June 30, 2025 (Unaudited)

### **JC Clark High Income Opportunities Fund**

The interim Management Report of Fund Performance contains Financial Highlights but does not contain the complete interim financial statements of the Investment Fund. You may obtain a copy of the interim financial statements at your request, and at no cost, by writing to us at 200 Bay Street, Suite 510, Toronto, ON M5J 2J3 or by calling us at 1-866-480-0002 or at 416-361-6144 or by visiting our website [www.jcclark.com](http://www.jcclark.com), or by contacting us by email to [funds@jcclark.com](mailto:funds@jcclark.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Securityholders may also contact us using one of these methods to request a copy of the investment fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

### **Forward-Looking Statements (“FLS”)**

The interim Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in a Mutual Fund?” in the Fund’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a fund’s current plans, estimates, opinions and analyses made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

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This interim Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the period ended June 30, 2025. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the JC Clark High Income Opportunities Fund's Declaration of Trust. In this report, "Manager" refers to JC Clark Ltd., the Manager of the Fund. The "Fund" refers to the JC Clark High Income Opportunities Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars.

#### Investment Objective and Strategies

The investment objective of the Fund is to seek a combination of income and long-term capital appreciation by investing primarily in distribution-paying Canadian and U.S. equity securities, as well as equity and fixed income securities that produce attractive dividend/income yields. To achieve this investment objective, the Fund may invest in equities, convertible debentures, fixed-income securities, preferred shares, special purpose acquisition companies, options, forward contracts, exchange traded funds ("ETF" s) and warrants. The Fund may also implement opportunistic strategies in event-driven situations such as initial public offerings. Further, the Manager, on behalf of the Fund, has entered into a securities lending authorization agreement (the "Securities Lending Agreement") with the Custodian.

The Fund may use alternative investment strategies including borrowing for investment purposes, short selling and the use of derivatives to seek to manage market volatility. The Fund's aggregate exposure to leverage through these strategies will not exceed three times its Net Asset Value ("NAV"), measured on a daily basis. The Fund is subject to certain standard investment restrictions and practices contained in simplified prospectus and securities legislation, including NI 81-102.

#### Risk

The risks associated with investing in the Fund remain as discussed in the simplified prospectus. The Fund is suitable for someone who is looking for medium risk, who is looking to gain exposure to an actively managed portfolio of income producing equity securities and fixed income securities and has a medium-term investment horizon.

For the period ended June 30, 2025, there were no changes affecting the overall level of risk associated with an investment in the Fund; therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the simplified prospectus.

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

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#### Results of Operations

The Manager uses a blended benchmark to evaluate the performance of fund. It is important to note that the NAV of the Fund reflects the effect of fees and expenses for professional management, while the benchmark does not have such costs.

The net asset value of the Fund was \$ 17,154,072 on June 30, 2025, reflecting the capital raised during the period and the changes in NAV due to valuations of the Fund's investments. The Fund had distributions amounting to \$247,378 for period from March 25, 2025, (commencement of operations) to June 30, 2025.

There were no unusual trends in sales, redemptions or adjustments to the components of the Fund's revenue and expenses during the reporting period.

#### Leverage

When the Fund makes investments in derivatives, borrows cash for investment purposes, or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's aggregate gross exposure to underlying assets is greater than the amount invested. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavorable times.

As prescribed by NI 81-102, the aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the amount of cash borrowed for investment purposes; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes. Notwithstanding this limit, the Fund intends to maintain a typical range of aggregate gross exposure between 1.0 to 1.5 times its NAV.

The Fund has entered into a margin agreement with the Custodian in which cash is borrowed against collateral in the Fund's account. All cash borrowing is repayable on demand and interest is calculated based on the custodian's interest rate as agreed with the Manager. As of June 30, 2025, the total cash borrowed was \$nil representing nil% of the Fund's net assets value.

During the period ended June 30, 2025, the Fund's lowest and highest aggregate gross exposure was 29.2% and 100.8% of the Fund's NAV respectively.

The Manager monitors, on a daily basis, that the Fund's aggregate gross exposure is less than three times the Fund's net asset value.

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

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#### Recent Developments

As announced on April 23, 2025, Neil Stratton was appointed portfolio manager of the Fund. The Fund did not undergo material changes pertaining to its accounting policies or the composition of its Interdependent Review Committee. There were also no changes to the Fund's risk rating, which remains as described in the Simplified Prospectus. Furthermore, there were no reorganizations, mergers, or similar transactions that had an effect on the Fund, nor are any such transactions planned as of the date of this report.

The first full quarter of operation for the fund was a period of heightened market volatility due to the geo-political situation in the United States, particularly as it related to the Tariff uncertainty. Given that we are unable to publish performance reporting in the first year of the funds existence, we can still highlight some areas of fund positioning.

The fund has been focused on yield generation. This helped generate stability during the initial market drawdown that took place in April. In addition to the yield being generated on the invested portion of the portfolio, we have also been able to generate additional yield through selling cash covered puts. Ultimately, we are doing this on names that we would be very happy to own (at lower prices than where they currently trade). This options writing strategy has been utilized on anywhere from 30% - 40% of the portfolio (at the time of writing the puts).

In terms of the structure and allocation of the fund holdings, the fund held approximately 50% cash and equivalents at the end of June. This elevated cash position was a result of subscriptions into the fund and also a result of keeping a cash component to cover the obligations for the puts that have been written. Of the remaining 50% of the portfolio, it was approximately 27% Canadian securities and 23% US Securities. The main sector exposures were Fixed Income/CLOs, Financials (REITs and Mortgage Funds), and Canadian Telecoms.

This combination of portfolio yield, plus option premiums received has allowed us to comfortably cover the monthly distribution that the fund is targeting. Additionally heading into the fall, which has historically been a seasonally weaker time period, we are very happy to continue to be conservatively positioned, while still generating a high level of cash flow and yield within the portfolio. If the markets do go through a sell-off, we are well positioned to be using our cash to buy some of our targeted, dividend paying names at lower prices.

#### Related Party Transactions

##### Management fees:

The Fund pays the Manager a daily management fee for providing its services to the Fund. Redeemable units of the Fund, are charged annual management fees equal to the following percentages of the NAV of each series of the Fund, calculated and accrued on each Valuation Date and payable on the last Valuation Date of each month:

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Founders Series A	1.75%
Founders Series F	0.75%

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The Fund does not pay a management fee in respect of Series I units. Management fees are subject to applicable taxes, including QST, GST or HST.

From time to time, Manager may waive management fees, and such waiver may be terminated at any time without prior notice to unitholders.

Management fees for period from March 25, 2025 (commencement of operations) to June 30, 2025, were \$28,756 and \$28,765 was payable as at June 30, 2025.

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

The Manager uses these management fees to pay for sales and trailing commissions to registered dealers on the distribution of the Funds units, investment advice as well as general administrative expenses relating to the Managers role as Manager.

The following is a breakdown:

Class of Units	Annual Management Fee Rates	As a Percentage of Management Fees	
		Dealer Compensation	General Administration and Investment Advice
Series A Units	1.75%	57%	43%
Series F Units	0.75%	0%	100%

#### Performance fees:

The Manager is entitled to receive a performance fee, which is paid by the Fund in respect of Founders Units. The Series I units are not subject to performance fees. Instead, Series I unitholders pay a performance fee directly to the Manager.

The performance fee is calculated and accrued on each Valuation Date during the relevant performance fee determination period and is payable on the last Valuation Date of such period. Performance fee determination period ("Performance Fee Determination Period") for each unit of a series means the period starting on the later of (i) the start date of the series of the Fund, and (ii) the first day of the calendar year, and ending on the earlier of (y) the date the unit is redeemed by the unitholder, and (z) the last Valuation Date of the calendar year, in which performance fee becomes payable.

For any Performance Fee Determination Period, the performance fee payable in respect of each unit of a series of the Fund is equal to the applicable performance fee rate multiplied by the amount by which the investment performance of the applicable unit exceeds the aggregate of the high-water mark and the hurdle amount during the Performance Fee Determination Period, plus applicable taxes.

"High Water Mark" for each unit of a series means the higher of (i) the initial series NAV per unit for the series, and (ii) the highest unit value for any unit of that series on the last Valuation Date of any calendar year on which a performance fee was payable in respect of that series.

"Hurdle Amount" for each unit of a series means the product of the Hurdle Rate multiplied by the High-Water Mark for that unit.

"Hurdle Rate" means 5% per annum. For greater certainty, the Hurdle Rate for a Performance Fee Determination Period that is shorter than a calendar year will equal less than 5%.

"Investment Performance" for each unit of a series, on a Valuation Date, means the sum of the unit value, before any accrued performance fee, on that Valuation Date plus all distributions paid or payable per unit on that series during the Performance Fee Determination Period.

"Performance Fee Rate" means 20% for Founders Series Units of the Fund, and a rate that is negotiated with the Manager for Series I Units.

Performance fees for period from March 25, 2025 (commencement of operations) to June 30, 2025, were \$67,539 accrued as at June 30, 2025.

#### Related party holding:

As of June 30, 2025, the directors and key management personal of the Manager, directly and indirectly held nil% of Series A and 40.01% of Series F units.

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

#### Financial Highlights

The following tables show selected key financial information about the Founders Series A, Founders Series F and Series I units of the Fund, respectively, and are intended to help you understand the Fund's financial performance for the period from March 25, 2025, (commencement of operations) to June 30, 2025.

<b>The Fund's Net Asset Value (NAV) per Founders Series A Unit</b>	<b>June 30, 2025</b>
<b>Net assets, beginning of period (1)(2)</b>	<b>–</b>
<b>Increase in net assets attributable to holders of redeemable units</b>	
Total revenue	0.12
Total expenses	(0.15)
Realized gain for the period	0.06
Unrealized gain for the period	0.34
<b>Total increase in net assets attributable to holders of redeemable units (2)</b>	<b>0.37</b>
<b>Distributions</b>	
From capital gains	–
From dividends	–
From income (excluding dividends)	–
Return of capital	(0.18)
<b>Total annual distributions (2)(3)</b>	<b>(0.18)</b>
<b>Net assets, end of period (4)</b>	<b>10.05</b>
<b>Ratios and Supplemental Data</b>	
Total Net Asset Value (4)	2,357,927
Number of units outstanding (4)	234,632
Management expense ratio (5)	5.90%
Management expense ratio excluding performance fees (5)	2.46%
Trading expense ratio (6)	0.94%
Fund Expense Ratio (7)	6.84%
Portfolio turnover rate (8)	8.66%
<b>Net Asset Value per Unit</b>	<b>10.05</b>

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

The Fund's Net Asset Value (NAV) per Founders Series F Unit	June 30, 2025
<b>Net assets, beginning of period (1)(2)</b>	–
<b>Increase in net assets attributable to holders of redeemable units</b>	
Total revenue	0.14
Total expenses	(0.10)
Realized gain for the period	0.07
Unrealized gain for the period	0.19
<b>Total increase in net assets attributable to holders of redeemable units (2)</b>	<b>0.30</b>
<b>Distributions</b>	
From capital gains	–
From dividends	–
From income (excluding dividends)	–
Return of capital	(0.25)
<b>Total annual distributions (2)(3)</b>	<b>(0.25)</b>
<b>Net assets, end of period (4)</b>	<b>9.99</b>

### Ratios and Supplemental Data

Total Net Asset Value (4)	14,796,145
Number of units outstanding (4)	1,481,106
Management expense ratio (5)	3.59%
Management expense ratio excluding performance fees (5)	1.32%
Trading expense ratio (6)	0.94%
Fund Expense Ratio (7)	4.53%
Portfolio turnover rate (8)	8.66%
<b>Net Asset Value per Unit</b>	<b>9.99</b>

#### Notes:

- (1) This information is derived from the Fund's unaudited interim financial statements for June 30, 2025. It is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets is based on the actual number of units outstanding at the relevant time. The increase/(decrease) from operations and distributions is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.
- (4) This information is provided as at June 30, 2025.
- (5) Management expense ratio is based on total operating expenses (including non-portfolio interest and excluding distributions, commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average NAV during the period. During the period ended June 30, 2025, the Manager absorbed \$78,467 in expenses that would have otherwise been charged to the Fund; the MER of each series had these expenses not been absorbed by the Manager would have been as follows:  
Prospectus: Founders Series A – 8.72%, Founders Series F – 6.48%, Series I – nil%  
The Manager will continue this practice until such time as the Pool is of a size to absorb such expenses while maintaining its MER at a competitive level.
- (6) The trading expense ratio represents total commissions, portfolio interest and other portfolio transaction costs, including any applicable taxes expressed as an annualized percentage of daily average NAV during the period. Included in the trading expense ratio are the forward fees.
- (7) The fund expense ratio represents total fund expenses expressed as an annualized percentage of daily average NAV during the period. It is the sum of the management expense ratio and the trading expense ratio, inclusive of performance fees and net of any fee waivers, rebates or absorptions.
- (8) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in the period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.



# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance – June 30, 2025

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### Past Performance

#### Year-by-year returns:

This information is not available because units of the Fund have not been distributed under a prospectus for a full calendar year.

#### Annual compound returns:

This information is not available because units of the Fund have not been distributed under a prospectus for a full calendar year.

# JC CLARK HIGH INCOME OPPORTUNITIES FUND

## MANAGEMENT REPORT OF FUND PERFORMANCE

### Management Discussion of Fund Performance – June 30, 2025

#### Summary of Investment Portfolio as at June 30, 2025

The following table shows selected key financial information about the Fund and is intended to assist in the understanding of the Fund's financial performance for the period ended June 30, 2025:

<i>As of June 30, 2025</i>	<i>% of Net Assets</i>	<i>As of June 30, 2025</i>	<i>% of Net Assets</i>
<b>TOP 25 HOLDINGS</b>		<b>ASSET ALLOCATIONS</b>	
<b>LONG POSITIONS</b>		<b>LONG ALLOCATIONS</b>	
Cash	49.93%	Canadian Equities	27.02%
Harvest Premium Yield 7-10 Year Treasury ETF	3.39%	U.S. Equities	22.90%
Ishares Investment Grade Corporate Bond Buywrite Strategy E	3.12%	Cash	49.93%
Timbercreek Financial Corp.	2.81%	Other Net Assets	0.22%
Ishares High Yield Corporate Bond Buywrite Strategy ETF	2.43%		
Janus Henderson AAA CLO ETF	2.26%	<b>SHORT ALLOCATIONS</b>	
Janus Henderson B-BBB CLO ETF	2.22%	Canadian Options	(0.02%)
Premium Income Corp. Preferred Shares 5.75%	1.89%	U.S. Options	(0.05%)
Healthpeak Properties Inc.	1.81%		100.00%
VICI Properties Inc.	1.66%	<b>TOTAL NET ASSETS VALUE (000's)</b>	<b>17,154</b>
Rogers Communications Inc.	1.53%		
TELUS Corp.	1.48%		
Enbridge Inc. Preferred Shares 4.40%	1.42%	<i>As of June 30, 2025</i>	<i>% of Net Assets</i>
Automotive Properties Real Estate Investment Trust	1.37%	<b>SECTOR ALLOCATIONS</b>	
Harvest Premium Yield Treasury ETF	1.37%	<b>LONG ALLOCATIONS</b>	
Annaly Capital Management Inc.	1.32%	Basic Materials	1.59%
Pfizer Inc.	1.27%	Communications	4.18%
Merck & Co Inc.	1.26%	Consumer, Cyclical	0.80%
BCE Inc.	1.18%	Consumer, Non-cyclical	2.53%
Freehold Royalties Ltd.	1.16%	Energy	3.60%
AGNC Investment Corp.	1.15%	Financial	34.73%
H&R Real Estate Investment Trust	1.03%	Technology	0.67%
Barrick Mining Corp.	1.02%	Utilities	1.82%
Canadian Natural Resources Ltd.	1.02%	Cash	49.93%
		Other Net Assets	0.22%
<b>SHORT POSITIONS</b>			
Merck & Co Inc. Put \$75 18JUL25	(0.01%)	<b>SHORT ALLOCATIONS</b>	
LyondellBasell Industries NV Put \$55 18JUL25	(0.01%)	Basic Materials	(0.01%)
BCE Inc. Put \$29 18JUL25	(0.01%)	Communications	(0.01%)
Bristol-Myers Squibb Co. Put \$44 18JUL25	(0.01%)	Consumer, Cyclical	0.00%
TELUS Corp. Put \$21 18JUL25	(0.01%)	Consumer, Non-cyclical	(0.02%)
Annaly Capital Management Inc. Put \$18 18JUL25	(0.01%)	Financial	(0.02%)
Alexandria Real Estate Equities Inc. Put \$65 18JUL25	(0.01%)	Funds	0.00%
United Parcel Service Inc. Put \$95 18JUL25	0.00%	Industrial	(0.01%)
Stanley Black & Decker Inc. Put \$57.50 18JUL25	0.00%		100.00%
Pfizer Inc. Put \$23 18JUL25	0.00%	<b>TOTAL NET ASSETS VALUE (000's)</b>	<b>17,154</b>
Starwood Property Trust Inc. Put \$19 18JUL25	0.00%		
Blue Owl Capital Inc. Put \$17 18JUL25	0.00%		
Magna International Inc. Put \$47 18JUL25	0.00%		
PepsiCo Inc. Put \$125 11JUL25	0.00%		
Prudential Financial Inc. Put \$97.50 18JUL25	0.00%		
Alerian MLP ETF Put \$46 18JUL25	0.00%		
Comcast Corp. Put \$32.50 18JUL25	0.00%		
Rogers Communications Inc. Put \$35 18JUL25	0.00%		
Invesco Ltd. Put \$13 18JUL25	0.00%		
	89.03%		
<b>TOTAL NET ASSETS VALUE (000's)</b>	<b>17,154</b>		

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.