

Financial Statements of

(Expressed in Canadian dollars)

RELEVANCE DIVERSIFIED CREDIT FUND

Years ended December 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Unitholders of
Relevance Diversified Credit Fund

Opinion

We have audited the accompanying financial statements of Relevance Diversified Credit Fund (the "Partnership"), which comprise the statement of financial position as at December 31, 2023 and 2022, the schedule of investment portfolio as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership 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 ("IFRS").

Basis for Opinion

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

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

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

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

Those charged with governance are responsible for overseeing the Partnership'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 GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Goodman & Associates LLP

Toronto, Ontario
July 26, 2024

Chartered Professional Accountants
Licensed Public Accountants

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Financial Position

Expressed in Canadian dollars

As at	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash (note 3)	\$ 8,689	\$ —
Investments owned, at fair value through profit or loss (note 8)	22,731,519	12,995,675
Expense reimbursement receivable (note 5)	—	77,219
Other assets	152,951	—
	22,893,159	13,072,894
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	71,279	114,985
Due to the Manager	963	5,619
Subscription received in advance	100,000	—
Redemptions payable	4,253	—
Distributions payable	9,270	—
	185,765	120,604
Net Assets Attributable to Holders of Redeemable Units	\$ 22,707,394	\$ 12,952,290
Net Assets Attributable to Holders of Redeemable Units by Series		
Series A - FEB-2022	\$ 131,556	\$ 120,601
Series A - JUN-2022	—	3,032
Series A - JUL-2022	—	1,040
Series F - OCT-2020	20,221,732	7,025,514
Series F - JUL-2021	—	100,619
Series F - NOV-2021	—	366,189
Series F - DEC-2021	—	259,403
Series F - FEB-2022	—	302,504
Series F - MAR-2022	—	751,440
Series F - APR-2022	—	295,875
Series F - MAY-2022	—	408,229
Series F - JUN-2022	—	107,653
Series F - JUL-2022	—	582,381
Series F - AUG-2022	—	15,919
Series F - SEP-2022	—	371,608
Series F - NOV-2022	—	254,438
Series F - DEC-2022	—	820,384
Series F4 - MAY-2023	969,904	—
Series F-USD - APR-2021	1,384,202	346,370
Series F-USD - NOV-2021	—	199,068
Series F-USD - DEC-2021	—	357,443
Series F-USD - JAN-2022	—	262,580
	\$ 22,707,394	\$ 12,952,290

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Financial Position (Continued)

Expressed in Canadian dollars

As at	December 31, 2023	December 31, 2022
Number of Redeemable Units Outstanding by Series (note 6)		
Series A - FEB-2022	1,251	1,240
Series A - JUN-2022	—	31
Series A - JUL-2022	—	11
Series F - OCT-2020	172,949	65,113
Series F - JUL-2021	—	928
Series F - NOV-2021	—	3,391
Series F - DEC-2021	—	2,401
Series F - FEB-2022	—	2,804
Series F - MAR-2022	—	6,968
Series F - APR-2022	—	2,742
Series F - MAY-2022	—	3,783
Series F - JUN-2022	—	998
Series F - JUL-2022	—	5,458
Series F - AUG-2022	—	148
Series F - SEP-2022	—	3,444
Series F - NOV-2022	—	2,358
Series F - DEC-2022	—	7,603
Series F4 - MAY-2023	9,247	—
Series F-USD - APR-2021	9,388	2,500
Series F-USD - NOV-2021	—	1,432
Series F-USD - DEC-2021	—	2,581
Series F-USD - JAN-2022	—	1,901
Net Assets Attributable to Holders of Redeemable Units per Unit by Series (note 11)		
Series A - FEB-2022	\$ 105.16	\$ 97.26
Series A - JUN-2022	—	97.81
Series A - JUL-2022	—	94.55
Series F - OCT-2020	116.92	107.90
Series F - JUL-2021	—	108.43
Series F - NOV-2021	—	107.99
Series F - DEC-2021	—	108.04
Series F - FEB-2022	—	107.88
Series F - MAR-2022	—	107.84
Series F - APR-2022	—	107.90
Series F - MAY-2022	—	107.91
Series F - JUN-2022	—	107.87
Series F - JUL-2022	—	106.70
Series F - AUG-2022	—	107.56
Series F - SEP-2022	—	107.90
Series F - NOV-2022	—	107.90
Series F - DEC-2022	—	107.90
Series F4 - MAY-2023	104.89	—
Series F-USD - APR-2021	147.44	138.55
Series F-USD - NOV-2021	—	139.01
Series F-USD - DEC-2021	—	138.49
Series F-USD - JAN-2022	—	138.13

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

Approved on behalf of the Manager, _____ Manager
Corton Capital Inc.

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Comprehensive Income (Loss)

Expressed in Canadian dollars

For the year ended	December 31, 2023	December 31, 2022
Income		
Income distributions from the Underlying Fund	\$ 29,372	\$ –
Net realized gain on sale of investments	93,160	5,959
Net change in unrealized appreciation (depreciation) in value of investments	1,290,825	(63,364)
Foreign currency translation gain	4,681	2,804
Other income	1,703	–
	1,419,741	(54,601)
Expenses		
Admin fees	11,299	–
Operating costs	74,325	69,110
Audit fees	600	25,742
	86,224	94,852
Expenses reimbursed (note 5)	16,335	(61,148)
	102,559	33,704
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 1,317,182	\$ (88,305)

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable

Units by Series

Series A - FEB-2022	\$ 9,753	\$ (3,399)
Series A - JUN-2022	182	32
Series A - JUL-2022	81	40
Series F - OCT-2020	553,583	(144,682)
Series F - JUL-2021	8,701	(2,071)
Series F - NOV-2021	20,093	(7,534)
Series F - DEC-2021	21,535	(5,337)
Series F - FEB-2022	25,005	(8,496)
Series F - MAR-2022	55,536	(8,560)
Series F - APR-2022	26,010	(4,125)
Series F - MAY-2022	30,847	(3,271)
Series F - JUN-2022	8,858	1,153
Series F - JUL-2022	45,249	22,381
Series F - AUG-2022	1,226	419
Series F - SEP-2022	26,947	6,608
Series F - NOV-2022	5,856	10,015
Series F - DEC-2022	67,244	10,384
Series F - FEB-2023	23,366	–
Series F - MAR-2023	1,342	–
Series F - APR-2023	27,687	–
Series F - AUG-2023	206	–
Series F - SEP-2023	1,609	–
Series F - OCT-2023	225,294	–
Series F - DEC-2023	(984)	–
Series F4 - MAY-2023	37,217	–

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

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Comprehensive Income (Loss) (Continued)

Expressed in Canadian dollars

For the year ended	December 31, 2023	December 31, 2022
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable		
Units by Series (Continued)		
Series F4 - JUN-2023	\$ 24,227	\$ –
Series F-USD - APR-2021	20,525	10,288
Series F-USD - NOV-2021	12,663	10,045
Series F-USD - DEC-2021	22,918	18,125
Series F-USD - JAN-2022	16,865	9,680
Series F-USD - MAR-2023	269	–
Series F-USD - NOV-2023	(2,728)	–
	\$ 1,317,182	\$ (88,305)

Weighted Average of Redeemable Units Outstanding During the Year

Series A - FEB-2022	1,240	1,240
Series A - JUN-2022	25	31
Series A - JUL-2022	11	11
Series F - OCT-2020	64,235	65,113
Series F - JUL-2021	928	928
Series F - NOV-2021	2,596	3,391
Series F - DEC-2021	2,401	2,401
Series F - FEB-2022	2,804	2,804
Series F - MAR-2022	6,961	6,968
Series F - APR-2022	2,742	2,742
Series F - MAY-2022	3,783	3,783
Series F - JUN-2022	998	998
Series F - JUL-2022	5,458	5,458
Series F - AUG-2022	146	148
Series F - SEP-2022	3,206	3,444
Series F - NOV-2022	1,227	2,358
Series F - DEC-2022	7,603	7,603
Series F - FEB-2023	4,095	–
Series F - MAR-2023	228	–
Series F - APR-2023	2,792	–
Series F - AUG-2023	44	–
Series F - SEP-2023	484	–
Series F - OCT-2023	59,619	–
Series F - DEC-2023	3,804	–
Series F4 - MAY-2023	5,500	–
Series F4 - JUN-2023	3,742	–
Series F-USD - APR-2021	2,500	2,996
Series F-USD - NOV-2021	1,432	1,432
Series F-USD - DEC-2021	2,581	2,581
Series F-USD - JAN-2022	1,901	1,901
Series F-USD - MAR-2023	66	–
Series F-USD - NOV-2023	917	–

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

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Comprehensive Income (Loss) (Continued)

Expressed in Canadian dollars

For the year ended	December 31, 2023	December 31, 2022
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable		
Units per Unit by Series (note 10)		
Series A - FEB-2022	\$ 7.87	\$ (2.74)
Series A - JUN-2022	7.28	1.03
Series A - JUL-2022	7.36	3.64
Series F - OCT-2020	8.62	(2.22)
Series F - JUL-2021	9.38	(2.23)
Series F - NOV-2021	7.74	(2.22)
Series F - DEC-2021	8.97	(2.22)
Series F - FEB-2022	8.92	(3.03)
Series F - MAR-2022	7.98	(1.23)
Series F - APR-2022	9.49	(1.50)
Series F - MAY-2022	8.15	(0.86)
Series F - JUN-2022	8.88	1.16
Series F - JUL-2022	8.29	4.10
Series F - AUG-2022	8.40	2.83
Series F - SEP-2022	8.41	1.92
Series F - NOV-2022	4.77	4.25
Series F - DEC-2022	8.84	1.37
Series F - FEB-2023	5.71	—
Series F - MAR-2023	5.89	—
Series F - APR-2023	9.92	—
Series F - AUG-2023	4.68	—
Series F - SEP-2023	3.32	—
Series F - OCT-2023	3.78	—
Series F - DEC-2023	(0.26)	—
Series F4 - MAY-2023	6.77	—
Series F4 - JUN-2023	6.47	—
Series F-USD - APR-2021	8.21	3.43
Series F-USD - NOV-2021	8.84	7.01
Series F-USD - DEC-2021	8.88	7.02
Series F-USD - JAN-2022	8.87	5.09
Series F-USD - MAR-2023	4.08	—
Series F-USD - NOV-2023	(2.97)	—

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

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

(Expressed in Canadian Dollars)

For the year ended

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Reinvestment of distribution to holders of redeemable units	Redesignation of redeemable units	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2023								
Series A - FEB-2022	\$ 120,601	\$ —	\$ (2,107)	\$ (8,902)	\$ 8,902	\$ 3,309	\$ 9,753	\$ 131,556
Series A - JUN-2022	3,032	—	(1,026)	(149)	149	(2,188)	182	—
Series A - JUL-2022	1,040	—	—	(78)	78	(1,121)	81	—
Series F - OCT-2020	7,025,514	—	(164,830)	(456,724)	456,724	12,807,465	553,583	20,221,732
Series F - JUL-2021	100,619	—	—	(6,660)	6,660	(109,320)	8,701	—
Series F - NOV-2021	366,189	—	(147,635)	(14,607)	14,607	(238,647)	20,093	—
Series F - DEC-2021	259,403	—	—	(17,240)	17,240	(280,938)	21,535	—
Series F - FEB-2022	302,504	—	—	(20,128)	20,128	(327,509)	25,005	—
Series F - MAR-2022	751,440	—	(5,000)	(49,713)	49,713	(801,976)	55,536	—
Series F - APR-2022	295,875	—	—	(19,688)	19,688	(321,885)	26,010	—
Series F - MAY-2022	408,229	—	—	(27,162)	27,162	(439,076)	30,847	—
Series F - JUN-2022	107,653	—	—	(7,163)	7,163	(116,511)	8,858	—
Series F - JUL-2022	582,381	—	—	(39,184)	39,184	(627,630)	45,249	—
Series F - AUG-2022	15,919	—	(1,094)	(991)	991	(16,051)	1,226	—
Series F - SEP-2022	371,608	—	(163,738)	(14,496)	14,496	(234,817)	26,947	—
Series F - NOV-2022	254,438	—	(209,700)	(3,076)	3,076	(50,594)	5,856	—
Series F - DEC-2022	820,384	—	—	(54,584)	54,584	(887,628)	67,244	—
Series F - FEB-2023	—	455,425	(2,082)	(26,350)	26,350	(476,709)	23,366	—
Series F - MAR-2023	—	26,000	(3,120)	(1,433)	1,433	(24,222)	1,342	—
Series F - APR-2023	—	300,000	—	(15,449)	15,449	(327,687)	27,687	—
Series F - AUG-2023	—	5,000	—	(149)	149	(5,206)	206	—
Series F - SEP-2023	—	55,000	—	(1,752)	1,752	(56,609)	1,609	—
Series F - OCT-2023	—	6,793,640	—	(118,593)	118,593	(7,018,934)	225,294	—
Series F - DEC-2023	—	446,500	—	(3,557)	3,557	(445,516)	(984)	—
Series F4 - MAY-2023	—	550,000	—	(25,185)	14,185	393,687	37,217	969,904
Series F4 - JUN-2023	—	377,000	—	(15,310)	7,770	(393,687)	24,227	—

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

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Continued)

(Expressed in Canadian Dollars)

For the year ended

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Reinvestment of distribution to holders of redeemable units	Redesignation of redeemable units	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2023								
(Continued)								
Series F-USD - APR-2021 \$	346,370 \$	— \$	— \$	(17,948) \$	17,948 \$	1,017,307 \$	20,525 \$	1,384,202
Series F-USD - NOV-2021	199,068	—	—	(10,284)	10,284	(211,731)	12,663	—
Series F-USD - DEC-2021	357,443	—	—	(18,529)	18,529	(380,361)	22,918	—
Series F-USD - JAN-2022	262,580	—	—	(13,651)	13,651	(279,445)	16,865	—
Series F-USD - MAR-2023	—	9,549	—	(533)	533	(9,818)	269	—
Series F-USD - NOV-2023	—	138,680	—	(1,713)	1,713	(135,952)	(2,728)	—
	\$ 12,952,290	\$ 9,156,794	\$ (700,332)	\$ (1,010,981)	\$ 992,441	\$ —	\$ 1,317,182	\$ 22,707,394

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Reinvestment of distribution to holders of redeemable units	Redesignation of redeemable units	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2022								
Series A - FEB-2022	\$ —	\$ 124,000	\$ —	(3,719) \$	3,719 \$	— \$	(3,399) \$	120,601
Series A - JUN-2022	—	3,000	—	(66)	66	—	32	3,032
Series A - JUL-2022	—	1,000	—	(20)	20	—	40	1,040
Series F - OCT-2020	7,170,196	—	—	(226,119)	226,119	—	(144,682)	7,025,514
Series F - JUL-2021	102,690	—	—	(3,278)	3,278	—	(2,071)	100,619
Series F - NOV-2021	373,723	—	—	(12,230)	12,230	—	(7,534)	366,189
Series F - DEC-2021	264,740	—	—	(8,619)	8,619	—	(5,337)	259,403
Series F - FEB-2022	—	311,000	—	(9,468)	9,468	—	(8,496)	302,504
Series F - MAR-2022	—	760,000	—	(17,480)	17,480	—	(8,560)	751,440
Series F - APR-2022	—	300,000	—	(11,633)	11,633	—	(4,125)	295,875

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

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Continued)

(Expressed in Canadian Dollars)

For the year ended

	Net assets attributable to holders of redeemable units, beginning of year	Proceeds from redeemable units issued	Redemption of redeemable units	Distributions to holders of redeemable units	Reinvestment of distribution to holders of redeemable units	Redesignation of redeemable units	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2022								
(Continued)								
Series F - MAY-2022	\$ —	\$ 411,500	\$ —	\$ (9,967)	\$ 9,967	\$ —	\$ (3,271)	\$ 408,229
Series F - JUN-2022	—	106,500	—	(2,354)	2,354	—	1,153	107,653
Series F - JUL-2022	—	560,000	—	(11,172)	11,172	—	22,381	582,381
Series F - AUG-2022	—	15,500	—	(265)	265	—	419	15,919
Series F - SEP-2022	—	365,000	—	(5,187)	5,187	—	6,608	371,608
Series F - NOV-2022	—	244,423	—	(1,839)	1,839	—	10,015	254,438
Series F - DEC-2022	—	810,000	—	(3,054)	3,054	—	10,384	820,384
Series F-USD - APR-2021	461,226	—	(125,144)	(11,817)	11,817	—	10,288	346,370
Series F-USD - NOV-2021	189,023	—	—	(6,033)	6,033	—	10,045	199,068
Series F-USD - DEC-2021	339,318	—	—	(11,215)	11,215	—	18,125	357,443
Series F-USD - JAN-2022	—	252,900	—	(8,243)	8,243	—	9,680	262,580
	\$ 8,900,916	\$ 4,264,823	\$ (125,144)	\$ (363,779)	\$ 363,779	\$ —	\$ (88,305)	\$ 12,952,290

	Detailed distributions to holders of redeemable units	From net investment income	From capital gains	Total distributions to holders of redeemable units
December 31, 2023	\$ 1,010,978	\$ —	\$ —	\$ 1,010,978
December 31, 2022	\$ 363,329	\$ 450	\$ —	\$ 363,779

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

RELEVANCE DIVERSIFIED CREDIT FUND

Statements of Cash Flows

(Expressed in Canadian dollars)

	December 31, 2023	December 31, 2022
For the year ended		
Cash provided by (used in):		
Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 1,317,182	\$ (88,305)
Adjustments for non-cash items		
Net realized gain on sale of investments	(93,160)	(5,959)
Net change in unrealized (appreciation) depreciation in value of investments	(1,290,825)	63,364
Foreign currency translation gain	(4,681)	(2,804)
Change in non-cash balances		
Decrease (increase) in expense reimbursement receivable	77,219	(14,048)
Increase in other assets	(152,951)	–
Decrease in accounts payable and accrued liabilities	(43,706)	(45,504)
(Decrease) increase in due to the Manager	(4,656)	3,465
Increase in distributions payable	9,270	–
Proceeds from sale of investments	1,893,441	319,239
Purchase of investments	(10,245,300)	(4,266,163)
Cash used in operating activities	(8,538,167)	(4,036,715)
Financing Activities		
Proceeds from issue of redeemable units, including subscriptions received in advance	9,256,794	4,009,893
Amount paid on redemption of redeemable units	(696,079)	(229,881)
Distributions to holders of redeemable units, net of reinvestment	(18,540)	–
Cash provided by financing activities	8,542,175	3,780,012
Increase (decrease) in cash during the year	4,008	(256,703)
Foreign currency translation gain on cash	4,681	2,804
Cash, beginning of year	–	253,899
Cash, end of year	\$ 8,689	\$ –
Supplemental information*		
Interest received	29,372	–

*Included as a part of cash flows from operating activities

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

RELEVANCE DIVERSIFIED CREDIT FUND

Schedule of Investment Portfolio

(Expressed in Canadian Dollars)

As at December 31, 2023

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian investment funds				
5,743	Astra Structured Credit Investments Limited - Class E MAR-2022	\$ 574,321	\$ 620,586	2.73
3,754	Astra Structured Credit Investments Limited - Class E MAY-2022	375,396	406,271	1.79
3,875	Astra Structured Credit Investments Limited - Class E APR-2022	387,487	419,400	1.85
2,992	Astra Structured Credit Investments Limited - Class E APR-2023	299,194	325,875	1.44
133	Astra Structured Credit Investments Limited - Class E AUG-2022	13,257	14,833	0.07
50	Astra Structured Credit Investments Limited - Class E AUG-2023	4,994	5,210	0.02
7,418	Astra Structured Credit Investments Limited - Class E DEC-2022	741,805	817,171	3.60
4,110	Astra Structured Credit Investments Limited - Class E DEC-2023	410,990	410,925	1.81
3,935	Astra Structured Credit Investments Limited - Class E FEB-2022	393,488	421,159	1.85
4,157	Astra Structured Credit Investments Limited - Class E FEB-2023	415,698	441,874	1.95
5,122	Astra Structured Credit Investments Limited - Class E JUL-2022	512,159	580,483	2.56
3,762	Astra Structured Credit Investments Limited - Class E JUN-2023	376,165	402,880	1.77
241	Astra Structured Credit Investments Limited - Class E MAR-2023	24,105	25,550	0.11
5,485	Astra Structured Credit Investments Limited - Class E MAY-2023	548,526	591,410	2.60
259	Astra Structured Credit Investments Limited - Class E NOV-2022	25,892	29,318	0.13
62,501	Astra Structured Credit Investments Limited - Class E OCT-2023	6,250,148	6,492,400	28.59
2,411	Astra Structured Credit Investments Limited - Class E DEC-2021	241,113	259,845	1.14
57,430	Astra Structured Credit Investments Limited - Class E Initial Series	6,051,071	6,846,414	30.15
908	Astra Structured Credit Investments Limited - Class E JUL-2021	90,760	100,645	0.44
990	Astra Structured Credit Investments Limited - Class E JUN-2022	99,044	109,172	0.48
1,935	Astra Structured Credit Investments Limited - Class E NOV-2021	193,539	208,091	0.92
1,982	Astra Structured Credit Investments Limited - Class E SEP-2022	198,189	219,666	0.97
141,954	Proof Capital Special Situations Fund Series F-5	1,589,371	1,596,248	7.03
		19,816,712	21,345,426	94.00
U.S. investment funds				
2,253	Astra Structured Credit Investments Limited - Class F APR-2021	282,750	337,146	1.48
2,449	Astra Structured Credit Investments Limited - Class F DEC-2021	314,002	351,425	1.55
1,820	Astra Structured Credit Investments Limited - Class F JAN-2022	231,308	258,673	1.14
70	Astra Structured Credit Investments Limited - Class F MAR-2023	9,471	9,773	0.04
1,363	Astra Structured Credit Investments Limited - Class F NOV-2021	168,584	194,821	0.86
920	Astra Structured Credit Investments Limited - Class F NOV-2023	127,521	125,394	0.55
9,644	Proof Capital Special Situations Fund Series F-5	107,618	108,861	0.48
		1,241,254	1,386,093	6.10
Total investments owned		21,057,966	22,731,519	100.10
Commissions and other portfolio transaction costs		—	—	—
Net investments owned		\$ 21,057,966	22,731,519	100.10
Other liabilities, net			(24,125)	(0.10)
Net Assets Attributable to Holders of Redeemable Units			\$ 22,707,394	100.00

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

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

1. Establishment of Fund:

Relevance Diversified Credit Fund (the "Fund") is an investment fund established as a trust under the laws of British Columbia pursuant to a master Declaration of Trust as amended, restated on January 31, 2023 (the "Declaration of Trust"). The Fund commenced operations on October 1, 2020. The address of the Fund's principal office is 130 King Street West, Suite 1800, Toronto, Ontario M5X 1E3.

Keith Pangretitsch, the founder of Relevance Wealth Management Inc. ("Relevance") is the trustee (the "Trustee") of the Fund. Corton Capital Inc. is the investment fund manager (the "Manager") of the Fund.

The Manager may hire portfolio sub-advisers to provide investment advice and portfolio management services in respect of the Fund from time to time. SGGG Fund Services Inc. (the "Administrator") has been appointed by the Manager to provide administrative and valuation services to the Fund.

The Fund's investment objective is to seek to achieve returns by investing, directly or indirectly, in credit products generally including but not limited to directly originated credit opportunities, commercial mortgage backed securities ("CMBS"), residential mortgage backed securities ("RMBS"), corporate debt, collateralized debt obligations ("CDOs"), collateralized loan obligations ("CLOs") and other asset backed lending products.

The Fund intends to invest substantially all of its assets in one or more underlying investment funds (each, an "Underlying Fund"), but may also make direct investments from time to time, consistent with the Fund's investment objective. Some of the Fund's assets may be kept in cash or cash equivalents.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

2. Basis of presentation:

These financial statements have been prepared in compliance with IFRS Accounting Standards as published by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss which are presented at fair value. The policies applied in these financial statements are based on IFRS Accounting Standards issued and outstanding as of July 26, 2024, which is the date on which the financial statements were authorized for issue by the Manager.

3. Material accounting policy information:

The following is a summary of the significant accounting policies applied by the Fund:

(a) Classification of financial instruments:

The Fund classifies its investments in equity securities as financial assets and financial liabilities at fair value through profit or loss ("FVTPL") in accordance with IFRS 9, *Financial Instruments* ("IFRS 9").

The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

3. Material accounting policy information (continued):

(a) Classification of financial instruments (continued):

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date. The Fund's investments are subsequently measured at FVTPL. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. A financial asset is classified as subsequently measured at amortized cost only if both of the following criteria are met:

- (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- (ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

(b) Offsetting financial instruments:

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable 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. In the normal course of business, the Fund may enter into various master netting agreements or 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 offset in certain circumstances, such as bankruptcy or termination of the contracts.

(c) Recognition/derecognition:

The Fund recognizes financial assets and financial liabilities at FVTPL on the trade date - the date it commits to purchase or sell short the instruments. From this date, any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the statements of comprehensive income (loss).

The Fund derecognizes a financial asset at FVTPL when the contractual rights to the cash flows of the financial asset and substantially all the risks and rewards of the ownership of the financial assets are transferred.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

3. Material accounting policy information (continued):

(c) Recognition/derecognition (continued):

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

(d) Net assets attributable to holders of redeemable units, per unit:

The net assets attributable to holders of redeemable units, per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular series of units by the total number of units of that particular series outstanding at the end of the year.

(e) 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 is based on the increase (decrease) in net assets attributable to holders of redeemable units attributed to each series of units, divided by the weighted average number of units outstanding of that series during the year. Refer to Note 10 for the calculation.

(f) Valuation of investments:

The fair value of financial assets and financial liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting year, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Administrator.

Investments in Underlying Funds are valued at their net asset value per unit as of the valuation date, as this value is the most readily and regularly available. The unadjusted net asset value is used when the shares or units in a fund are redeemable at the reportable net asset value at, or approximately at, the measurement date. If this is not the case, then the net asset value is used as a valuation input and an adjustment is applied for lack of marketability/restricted redemptions. This adjustment is based on management judgment after considering the year of restrictions and the nature of the underlying estimates. Commissions and other portfolio transaction costs do not apply to investments in Underlying Funds as these investments do not incur such costs.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

3. Material accounting policy information (continued):

(g) Impairment of financial assets:

The Fund's other financial assets at amortized cost are subject to an expected credit loss model. The Fund applies the simplified approach to providing for expected credit losses, which determines lifetime expected credit loss provision for all other financial assets. Impairment losses on financial assets at amortized cost, if any, are recognized in the statements of comprehensive income (loss).

(h) Investment transactions and revenue recognition:

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend and distribution income is recognized on the ex-dividend date.

Realized gain (loss) on sale of investments and unrealized appreciation (depreciation) in value of investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero-coupon bonds.

(i) Translation of foreign currency:

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 4:00 pm Eastern Standard Time (the "closing rate") on the last business day of each month, on the business day immediately preceding a subscription date and on such other business day as the Manager may determine (each, a "Valuation Date").

Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

Foreign exchange gain or loss on cash and other assets and liabilities denominated in foreign currencies are reflected in foreign exchange loss, and unrealized foreign exchange gain or loss on investments owned, at FVTPL, are reflected in net change in unrealized appreciation in value of investments on the statements of comprehensive income (loss).

(j) Transaction costs:

Transaction costs, if any, related to the purchase and sale of financial assets and liabilities are expensed as incurred.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

3. Material accounting policy information (continued):

(k) Purchase and redemption of redeemable units:

The value at which units of the Fund are issued or redeemed is determined by dividing the net assets attributable to holders of redeemable units at fair value of the Fund by the total number of units outstanding on the Valuation Date. The Fund is valued monthly. Amounts received on the issuance of redeemable units and amounts paid on the redemption of redeemable units are added to or deducted from the statements of changes in net assets attributable to holders of redeemable units.

(l) Distribution of net income and gains:

Net investment income (excluding dividends receivable) and net realized capital gains of the Fund are distributed to unitholders of the record of the Fund as of the close of business on the last Valuation Date in the year according to each unitholder's proportionate share of the Fund less any tax required to be deducted. All distributions (other than a special distribution to a redeeming unitholder that may be payable in cash as determined by the Manager) reinvested automatically in additional units of the Fund.

(m) Classification of redeemable units:

IAS 32, Financial Instruments: Presentation ("IAS 32") requires that redeemable units or shares of an entity that are equally subordinated but do not have identical features be classified as a financial liability. The Fund's redeemable units do not meet the criteria in IAS 32 for classification as equity as a result of the different series of units not having identical features. Therefore, the redeemable units of the Fund have been classified as financial liabilities.

(n) Other assets and liabilities:

Expense reimbursement receivable and other assets is initially measured at fair value and is classified and subsequently measured at amortized cost. Accounts payable and accrued liabilities, due to the Manager, redemptions payable, distributions payable and subscription received in advance are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of being incurred. Other assets and liabilities are short term in nature and are carried at amortized cost which approximates the fair value.

(o) Cash:

Cash is comprised of cash on deposit with financial institutions and is recorded at amortized cost which approximates fair value.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

4. Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The most significant accounting judgments and estimates that the Fund has made in preparing the financial statements are related to the fair value measurement of investments. See Note 8 for more information on the fair value measurement of the Fund's financial instruments.

5. Related party transactions

(a) Management and performance fees

The Manager is not entitled to receive any management fees or performance fees from the fund for its services.

(b) Expense reimbursement:

Expenses relating to the organization and ongoing operations and activities of the Fund, as well as the costs of investment, are borne by the Fund. The Trustee and the Manager are entitled to reimbursement from the Fund for such expenses of the Fund actually incurred by it. The Trustee intends to cap operating expenses payable by the Fund at 0.30% of the Net Asset Value of the Fund annually, and to absorb any expenses above this amount. The cap on operating expenses was lifted in September 2023.

(c) Admin fees

After the cap was lifted the fund incurred fund admin fees of \$11,299 payable to the manager for the 3-month period ending December 2023.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

6. Redeemable units of the Fund:

(a) Issuance of units:

An unlimited number of beneficial interests in the Fund, referred to as units. Units are issuable in more than one class and series, and each series may be subject to different fees. To date the Manager has designated one class of units and four series of units within such class. The Manager may create additional classes and series of units without notice to existing investors.

Four series of units are currently offered:

Series A-CAD units are available in Canadian dollars to all investors who meet the minimum investment criteria and who purchase their units from a third-party dealer to whom the Manager pays a trailing commission.

Series A-USD units are identical in all respects to Series A-CAD units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars.

Series F-CAD units are available in Canadian dollars to investors who meet the minimum investment criteria and who purchase their units directly from the Manager as dealer, through a fee-based account with a third-party dealer or are family offices or institutional investors.

Series F-USD units are identical in all respects to Series F-CAD units, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars.

A new sub-series of units within each series are generally issued in each month there are subscriptions. Subscriptions are processed on the first business day of each month and on such other days as the Manager may permit (each, a "Subscription Date"), subject to the Manager's discretion to accept or reject subscriptions in whole or in part. A fully completed subscription agreement together with payment of subscription proceeds must be received by the Manager at least 5 business days prior to a Subscription Date, in order for the subscription to be accepted as at that Subscription Date; otherwise the subscription is processed as at the next Subscription Date.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

6. Redeemable units of the Fund (continued):

(a) Issuance of units (continued):

Units of the first sub-series of each Series are issued at a subscription price of \$100 per Unit. Thereafter, units of each new sub-series are issued at the NAV per unit of the first sub-series of units of the same Series as at the business day immediately preceding the relevant Subscription Date. The minimum initial investment is \$25,000 but may be reduced to a lesser amount in the discretion of the Manager. Each additional investment must be in an amount that is not less than \$25,000 or such lesser amount as the Manager may accept in its discretion.

The unit activity for the years ended December 31, 2023 and 2022 is as follows:

	Redeemable Units, beginning of year	Redeemable Units Issued	Redemptions of Redeemable Units	Redesignation of Redeemable Units	Redeemable Units, end of year
December 31, 2023					
Series A - FEB-2022	1,240	—	(20)	31	1,251
Series A - JUN-2022	31	—	(10)	(21)	—
Series A - JUL-2022	11	—	—	(11)	—
Series F - OCT-2020	65,113	—	(1,515)	109,351	172,949
Series F - JUL-2021	928	—	—	(928)	—
Series F - NOV-2021	3,391	—	(1,356)	(2,035)	—
Series F - DEC-2021	2,401	—	—	(2,401)	—
Series F - FEB-2022	2,804	—	—	(2,804)	—
Series F - MAR-2022	6,968	—	(44)	(6,924)	—
Series F - APR-2022	2,742	—	—	(2,742)	—
Series F - MAY-2022	3,783	—	—	(3,783)	—
Series F - JUN-2022	998	—	—	(998)	—
Series F - JUL-2022	5,458	—	—	(5,458)	—
Series F - AUG-2022	148	—	(10)	(138)	—
Series F - SEP-2022	3,444	—	(1,425)	(2,019)	—
Series F - NOV-2022	2,358	—	(1,929)	(429)	—
Series F - DEC-2022	7,603	—	—	(7,603)	—
Series F - FEB-2023	—	4,098	(18)	(4,080)	—
Series F - MAR-2023	—	233	(27)	(206)	—
Series F - APR-2023	—	2,792	—	(2,792)	—
Series F - AUG-2023	—	44	—	(44)	—

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

6. Redeemable units of the Fund (continued):

(a) Issuance of units (continued):

	Redeemable Units, beginning of year	Redeemable Units Issued	Redemptions of Redeemable Units	Redesignation of Redeemable Units	Redeemable Units, end of year
December 31, 2023 (Continued)					
Series F - SEP-2023	—	484	—	(484)	—
Series F - OCT-2023	—	59,619	—	(59,619)	—
Series F - DEC-2023	—	3,804	—	(3,804)	—
Series F4 - MAY-2023	—	5,500	—	3,747	9,247
Series F4 - JUN-2023	—	3,742	—	(3,742)	—
Series F-USD - APR-2021	2,500	—	—	6,888	9,388
Series F-USD - NOV-2021	1,432	—	—	(1,432)	—
Series F-USD - DEC-2021	2,581	—	—	(2,581)	—
Series F-USD - JAN-2022	1,901	—	—	(1,901)	—
Series F-USD - MAR-2023	—	66	—	(66)	—
Series F-USD - NOV-2023	—	917	—	(917)	—
December 31, 2022					
Series A - FEB-2022	—	1,240	—	—	1,240
Series A - JUN-2022	—	31	—	—	31
Series A - JUL-2022	—	11	—	—	11
Series F - OCT-2020	65,113	—	—	—	65,113
Series F - JUL-2021	928	—	—	—	928
Series F - NOV-2021	3,391	—	—	—	3,391
Series F - DEC-2021	2,401	—	—	—	2,401
Series F - FEB-2022	—	2,804	—	—	2,804
Series F - MAR-2022	—	6,968	—	—	6,968
Series F - APR-2022	—	2,742	—	—	2,742
Series F - MAY-2022	—	3,783	—	—	3,783
Series F - JUN-2022	—	998	—	—	998
Series F - JUL-2022	—	5,458	—	—	5,458

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

6. Redeemable units of the Fund (continued):

(a) Issuance of units (continued):

	Redeemable Units, beginning of year	Redeemable Units Issued	Redemptions of Redeemable Units	Redesignation of Redeemable Units	Redeemable Units, end of year
December 31, 2022 (Continued)					
Series F - AUG-2022	—	148	—	—	148
Series F - SEP-2022	—	3,444	—	—	3,444
Series F - NOV-2022	—	2,358	—	—	2,358
Series F - DEC-2022	—	7,603	—	—	7,603
Series F-USD - APR-2021	3,500	—	(1,000)	—	2,500
Series F-USD - NOV-2021	1,432	—	—	—	1,432
Series F-USD - DEC-2021	2,581	—	—	—	2,581
Series F-USD - JAN-2022	—	1,901	—	—	1,901

(b) Redemption of units:

A unitholder may surrender units for redemption as at the last business day of a calendar quarter and on such other date as the Manager may in its absolute discretion permit from time to time (each, a “Redemption Date”). Redemption requests must be received in writing by the Manager at least 91 days prior to the proposed Redemption Date.

Upon redemption of a unit, the unitholder receives proceeds of redemption equal to the NAV of such unit as at the close of business on the relevant Redemption Date, less applicable deductions. Generally, all or a portion of net capital gains realized by the Fund in a taxation year may be allocated to a unitholder redeeming in the year, and in this event the amount of the redemption proceeds will be reduced by the amount of such distribution.

For units redeemed within one year of their purchase, an amount equal to up to 3% of the NAV of such units may be deducted from the redemption proceeds and retained by the Fund in the sole discretion of the Manager. If a redeeming unitholder owns units of more than one sub-series, units are redeemed on a “first in, first out” basis, meaning that units of the earliest sub-series of the applicable series owned by the unitholder are redeemed first, at the redemption price for units of such sub-series, until such unitholder no longer owns units of such sub-series (although this policy may be amended in the discretion of the Manager). Payment of redemption proceeds is made as soon as practicable after the relevant Redemption Date and normally within 14 calendar days of finalization of the relevant NAV.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

6. Redeemable units of the Fund (continued):

(b) Redemption of units (continued):

The Manager may suspend the calculation of the NAV per Unit, and the right to redeem units, and/or may elect to pay redemption proceeds partly in cash and partly in kind at any time where the Manager is of the opinion, in its discretion, that there are insufficient liquid assets in the Fund to fund such redemptions entirely in cash, the liquidation of assets would be to the detriment of the Fund generally, or it is not reasonably practicable to determine fairly the value of the Fund's property. The Manager may also suspend the calculation of the NAV per unit and the right to redeem units when the determination of NAV and redemption of securities of an Underlying Fund held by the Fund has been suspended.

The Manager has the right to require a unitholder to redeem some or all of the units owned by that unitholder on a Redemption Date at the NAV per Unit, by notice in writing to the unitholder given at least 14 days before the designated Redemption Date, which right may be exercised by the Manager in its absolute discretion.

(c) Distributions:

The Fund distributes in each year such portion of its annual net income and net realized capital gains as results in the Fund paying no tax under the Income Tax Act (the "Tax Act"). All distributions made by the Fund are automatically reinvested in additional units of the same Series on the Valuation Date on the date of or immediately following the distribution at the NAV per unit.

Once the distribution reinvestment is completed, there is a consolidation of units such that each unitholder (other than a non-resident in respect of whose share of the distribution tax was withheld) has the same number of units that they held immediately prior to the distribution, and NAV per Unit of the series (or sub-series) is adjusted accordingly so that the aggregate NAV of a unitholder's units remains the same as prior to the distribution.

(d) Capital disclosure:

The capital of the Fund is represented by issued and redeemable units. The units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's net asset attributable to holders of redeemable units, per unit upon redemption. The Fund's redeemable units are subject to a minimum holding and subscription amount and may also be subject to a short-term trading deduction. The units are not transferable except by operation of the law or with the consent of the Manager. Under extraordinary circumstances, the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all unitholders. The Fund endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

7. Financial instrument risks:

(a) Management of financial instrument risks:

In the normal course of business, the Fund is exposed to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The Fund invests substantially all its net assets in the Underlying Fund, therefore, the Fund may also be susceptible to the financial risk exposure of the Underlying Fund. The value of investments within the Fund's portfolio can fluctuate on a periodic basis as a result of changes in interest rates, economic conditions, the market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objective and the type of securities it invests in.

The nature and extent of the financial instruments outstanding at the reporting date and the risk management policies employed by the Fund are discussed below.

(b) Credit risk:

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

All transactions executed by the Fund in securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at December 31, 2023 and 2022, the Fund did not directly hold any long-term debt securities or derivative instruments and therefore the Fund was not directly exposed to significant credit risk. However, the Fund is indirectly exposed to credit risk through some of the portfolio investments held by the Underlying Funds. The following table details the Fund's indirect exposure to investments in debt securities through its investment in the Underlying Fund Astra Structured Credit Investments Limited by S&P Global's credit ratings: the credit risk exposure from Underlying Fund Proof Capital Special Situations Fund is not material.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(b) Credit risk (continued):

Debt Instruments by credit rating	Percentage of net assets attributable to holders of redeemable units	
	2023	2022
Financial assets at fair value through profit or loss		
AA+	5.2%	14.8%
A+	19.8%	19.9%
AAA	1.2%	0.0%
AA	2.9%	0.0%
A	0.0%	0.0%
AA-	0.8%	0.0%
A-	0.2%	0.0%
BBB+	3.5%	0.7%
BB+	9.5%	0.0%
B+	2.0%	2.1%
BBB	3.4%	0.0%
BB	1.7%	9.3%
BBB-	4.8%	0.3%
B-	0.0%	0.0%
CCC+	0.0%	0.0%
CCC	2.3%	2.8%
CC	1.3%	0.0%
D	0.0%	0.0%
Unrated	16.3%	18.7%
NR	9.9%	0.0%
N/A	13.5%	18.5%
Total	98.3%	87.1%
Financial liabilities at fair value through profit or loss		
A	0.0%	0.0%
BB	0.0%	0.0%
N/A	-0.1%	-1.8%
Total	-0.1%	-1.8%

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(b) Credit risk (continued):

As at December 31, 2023 and 2022, the S&P Global credit ratings of the Underlying Fund Astra Structured Credit Investment Limited's bank and derivative counterparties were as follows:

Bank and Derivative Counterparty	Ratings	
	2023	2022
US Bank National Association	A+	AA-
Elavon Financial Services DAC	A+	AA-
Deutsche Bank AG	A-	A-
Nomura	A-	N/A
JP Morgan	AA	A+

(c) Liquidity risk:

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the quarterly cash redemptions of redeemable units subject to a 91 days' notice period. The Fund's investment in the Underlying Funds is also redeemable on a quarterly basis with a 91 days' notice period. In addition, the Fund generally retains sufficient cash positions to maintain liquidity.

All financial liabilities are due within 12 months.

(d) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund's investment in the Underlying Funds may also indirectly expose the Fund to the Underlying Funds' interest rate risk. The Fund and the Underlying Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. There is minimal sensitivity to interest rate fluctuations on any asset invested at short-term market interest rates.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(d) Interest rate risk (continued):

As at December 31, 2023 and 2022, interest rate risk related to the Fund is considered to be insignificant. However, the Fund is indirectly exposed to interest rate risk through its investments in the Underlying Fund Astra Structured Credit Investments Limited. The interest rate risk through investments in Underlying Fund Proof Capital Special Situations Fund is not material. The following table details the Fund's indirect exposure to investments in financial assets and liabilities classified under floating rate as at December 31, 2023 and 2022, and the impact on the net assets attributable to holders of redeemable units of the Fund if there was a 100 basis point increase or decrease in interest rates:

Debt Instruments by maturity date	Percentage of net assets attributable to holders of redeemable units	
	2023	2022
Less than 1 year	-13.7%	8.6%
1 - 5 years	0.0%	0.0%
Greater than 5 years	73.5%	82.1%
Total	59.8%	90.7%
Sensitivity	\$ 135,614	\$ 117,469

(e) Other price risk:

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

All investments represent a risk of loss of capital. The Manager aims to moderate this risk through careful selection and diversification of securities and other financial instruments in accordance with the Fund's investment objective and strategy. Possible losses from short positions can be unlimited. The Fund's overall market positions are monitored on a regular basis by the Manager. Financial instruments held by the Fund are susceptible to market price risk arising from uncertainties about future prices of the instruments.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(e) Other price risk (continued):

As at December 31, 2023 and 2022 the Fund's indirect exposure to price risk due to some of the portfolio investments held by the Underlying Fund Astra Structured Credit Investments Limited were as follows:

	Fair value	
	2023	2022
Financial assets at fair value through profit or loss:		
Asset backed securities	7,155,392	7,262,633
Mortgage backed securities	9,270,589	2,292,227
Corporate bonds	3,691,174	1,294,029
Sovereign bonds	2,194,136	—
Loan	—	434,171
Forward currency contracts	11,202	9,704
Money market fund	607,251	18,293
	22,929,744	11,311,057
Financial liabilities at fair value through profit or loss:		
Forward currency contracts	(360,276)	(96,006)
Credit default swaps	(20,605)	(236,084)
	(380,881)	(332,090)
Total financial assets and liabilities at fair value through profit or loss	\$ 22,548,863	\$ 10,978,967

	Market price exposure by country	
	2023	2022
Country		
Western Europe		
European residential mortgage-backed securities	\$ 6,889,069	\$ 2,290,407
Collateralised loan obligation	4,472,102	5,088,100
Non-investment grade-collateralised loan obligation	3,137,432	449,630
Credit default swaps	(9,982)	(222,866)
Corporate bonds	3,552,769	1,201,722
European commercial mortgage-backed securities ("CMBS")	483	1,821
European cash collateralised debt obligation backed by mixed asset backed securities	380,586	254,476
Loan	—	434,171
Money market	94,126	—
United States		
Synthetic commercial real estate collateralized debt obligations	1,546,308	1,470,428
Corporate bonds	138,406	92,307
Sovereign bonds	2,194,136	—
Credit default swaps	(10,623)	(13,218)
Money market	513,124	18,293
Total	22,897,936	11,065,271

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(e) Other price risk (continued):

The Underlying Funds' price risk is driven mainly by sensitivity to credit spreads on the underlying CMBS and other ABS securities. The price of the Underlying Funds' assets may also be sensitive to changes in interest rates. However, given the majority of the Underlying Funds' assets are floating rate securities, the impact on pricing should not be significant. Price risk from Underlying Fund Proof Capital Special Situations Fund is not material.

(f) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar, which represents the functional currency of the Fund. The Fund may enter into foreign exchange forward contracts for hedging purposes to reduce its foreign currency exposure or to establish exposure to foreign currencies. The Fund's investment in the Underlying Funds may also indirectly expose the Fund to the Underlying Funds' currency risk.

As at December 31, 2023, the Fund did not hold material financial instruments denominated in currencies other than the Canadian dollar. Apart from the direct exposure to the currency risk, the Fund is indirectly exposed to currency risk through its investments in the Underlying Fund Astra Structured Credit Investments Limited as shown in the table below:

Original currency	As at December 31, 2023			
	EUR	GBP	USD	CAD
Underlying Fund's currency	USD	USD	USD	USD
Assets				
Financial assets at fair value through profit or loss *	\$ 13,987,290	\$ 2,531,542	\$ 6,400,295	\$ 10,617
Interest receivable	154,423	19,661	55,278	–
Cash and cash equivalents	–	55	20,446	123
Due from broker	70,217	–	–	–
Cash pledged as collateral	–	–	1,564,667	–
Prepaid expenses	–	–	2,167	–
Total assets	14,211,929	2,551,258	8,042,853	10,740
Liabilities				
Financial liabilities at fair value through profit or loss *	(11,453)	–	(369,428)	–
Bank overdraft	(57,107)	–	–	–
Repurchase agreements	(3,081,292)	–	–	–
Accrued expenses	(18,266)	(4,238)	(210,662)	(37,923)
Redemption payable	–	–	–	–
Total liabilities	(3,168,118)	(4,238)	(580,091)	(37,923)
Net exposure	\$ 11,043,811	\$ 2,547,020	\$ 7,462,762	\$ (27,183)

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(f) Currency risk (continued):

Original currency	As at December 31, 2022			
	EUR	GBP	USD	CAD
Underlying Fund's currency	USD	USD	USD	USD
Assets				
Financial assets at fair value through profit or loss *	\$ 8,961,879	\$ –	\$ 2,343,180	\$ 5,999
Interest receivable	84,027	–	38,488	–
Cash and cash equivalents	502,586	18	3,933,266	109
Cash pledged as collateral	–	–	844,452	–
Prepaid expenses	–	–	2,244	–
Total assets	9,548,492	18	7,161,630	6,108
Liabilities				
Financial liabilities at fair value through profit or loss*	(222,866)	(275)	(108,950)	–
Repurchase agreements	(3,327,660)	–	–	–
Accrued expenses	(8,480)	(323)	(22,035)	(2,863)
Redemption payable	–	–	(27,121)	–
Total liabilities	(3,559,006)	(598)	(158,106)	(2,863)
Net exposure	\$ 5,989,486	\$ -	\$ 7,003,524	\$ 3,245

*The above table discloses the notional amounts associated with the forward contracts rather than the fair value.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

7. Financial instrument risks (continued):

(f) Currency risk (continued):

As at December 31, 2023 and 2022, the notional amount of the foreign currency forward contracts of the Underlying Fund Astra Structured Credit Investments Limited were as follows:

As at December 31, 2023			
Currency Bought	Notional Amount	Currency Sold	Notional Amount
USD	1,652,843	EUR	1,563,347
USD	776,464	GBP	638,091
USD	269,297	GBP	221,009
USD	19,519	GBP	16,136
USD	461,846	GBP	376,254
USD	2,201,923	EUR	2,021,355
USD	200,274	EUR	181,893
USD	6,866,638	EUR	6,343,256
USD	958,490	GBP	764,242
CAD	4,828,576	USD	3,653,013
EUR	1,868,461	USD	2,068,287
GBP	314,601	USD	400,544

As at December 31, 2022			
Currency Bought	Notional Amount	Currency Sold	Notional Amount
USD	405,461	EUR	395,350
USD	407,524	EUR	395,350
USD	132,000	EUR	135,062
USD	435,219	EUR	420,120
USD	74,428	EUR	72,322
USD	313,829	EUR	298,329
USD	1,190,059	EUR	1,111,051
USD	1,196,913	EUR	1,111,051
USD	1,203,476	EUR	1,111,051
USD	453,919	EUR	424,894
EUR	730,810	USD	779,336
GBP	211,003	USD	254,320
USD	384,704	EUR	361,611
EUR	361,611	USD	385,475
CAD	2,101,474	USD	1,545,209

Currency risk from Underlying Fund Proof Capital Special Situations Fund is not material.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022
(Expressed in Canadian dollars)

8. Fair value measurement:

Investments measured at fair value are classified into one of three fair value hierarchy levels, based on the lowest level input that is significant to the fair value measurement in its entirety. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The three fair value hierarchy levels are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2023 and 2022, the Fund classified its investment in the Underlying Funds as Level 2 within the fair value hierarchy.

9. Expenses:

The Fund pays for all routine and customary expenses relating to the Fund's operation, including brokerage commissions, fees relating to forward or swap contracts and expenses relating to short sales; the costs of products and services relating to research, market data, execution and related items; clearing and settlement charges, custodial fees, hedging expenses, bank service fees, interest expenses, expenses relating to proposed investments and all such other fees and disbursements directly relating to the implementation of the investment strategies, policies and practices of the Fund and transactions for the portfolio of the Fund. In addition, the Fund pays for expenses associated with ongoing investor relations and education relating to the Fund.

Fees payable by Underlying Funds

A manager of an Underlying Fund (an "Underlying Fund Manager") may receive management and/or performance fees from the respective Underlying Fund in respect of the securities of the Underlying Fund held by the Fund which do not exceed the management and performance fees of the Fund set out above. To the extent the Fund invests in an Underlying Fund, the fees payable by the Fund are reduced by the fees payable at the Underlying Fund level for the same service such that there is no duplication of fees.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

10. 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 for the years ended December 31, 2023 and 2022 is calculated as follows:

	Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series	Weighted Average of Redeemable Units Outstanding During the Year	Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit
Year ended December 31, 2023			
Series A - FEB-2022	\$ 9,753	1,240	\$ 7.87
Series A - JUN-2022	182	25	7.28
Series A - JUL-2022	81	11	7.36
Series F - OCT-2020	553,583	64,235	8.62
Series F - JUL-2021	8,701	928	9.38
Series F - NOV-2021	20,093	2,596	7.74
Series F - DEC-2021	21,535	2,401	8.97
Series F - FEB-2022	25,005	2,804	8.92
Series F - MAR-2022	55,536	6,961	7.98
Series F - APR-2022	26,010	2,742	9.49
Series F - MAY-2022	30,847	3,783	8.15
Series F - JUN-2022	8,858	998	8.88
Series F - JUL-2022	45,249	5,458	8.29
Series F - AUG-2022	1,226	146	8.40
Series F - SEP-2022	26,947	3,206	8.41
Series F - NOV-2022	5,856	1,227	4.77
Series F - DEC-2022	67,244	7,603	8.84
Series F - FEB-2023	23,366	4,095	5.71
Series F - MAR-2023	1,342	228	5.89
Series F - APR-2023	27,687	2,792	9.92
Series F - AUG-2023	206	44	4.68
Series F - SEP-2023	1,609	484	3.32
Series F - OCT-2023	225,294	59,619	3.78
Series F - DEC-2023	(984)	3,804	(0.26)
Series F4 - MAY-2023	37,217	5,500	6.77
Series F4 - JUN-2023	24,227	3,742	6.47
Series F-USD - APR-2021	20,525	2,500	8.21
Series F-USD - NOV-2021	12,663	1,432	8.84
Series F-USD - DEC-2021	22,918	2,581	8.88
Series F-USD - JAN-2022	16,865	1,901	8.87
Series F-USD - MAR-2023	269	66	4.08
Series F-USD - NOV-2023	(2,728)	917	(2.97)

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

10. Increase (decrease) in net assets attributable to holders of redeemable units, per unit (continued):

	Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Series	Weighted Average of Redeemable Units Outstanding During the Year	Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit
Year ended December 31, 2022			
Series A - FEB-2022	\$ (3,399)	1,240	\$ (2.74)
Series A - JUN-2022	32	31	1.03
Series A - JUL-2022	40	11	3.64
Series F - OCT-2020	(144,682)	65,113	(2.22)
Series F - JUL-2021	(2,071)	928	(2.23)
Series F - NOV-2021	(7,534)	3,391	(2.22)
Series F - DEC-2021	(5,337)	2,401	(2.22)
Series F - FEB-2022	(8,496)	2,804	(3.03)
Series F - MAR-2022	(8,560)	6,968	(1.23)
Series F - APR-2022	(4,125)	2,742	(1.50)
Series F - MAY-2022	(3,271)	3,783	(0.86)
Series F - JUN-2022	1,153	998	1.16
Series F - JUL-2022	22,381	5,458	4.10
Series F - AUG-2022	419	148	2.83
Series F - SEP-2022	6,608	3,444	1.92
Series F - NOV-2022	10,015	2,358	4.25
Series F - DEC-2022	10,384	7,603	1.37
Series F-USD - APR-2021	10,288	2,996	3.43
Series F-USD - NOV-2021	10,045	1,432	7.01
Series F-USD - DEC-2021	18,125	2,581	7.02
Series F-USD - JAN-2022	9,680	1,901	5.09

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

11. Comparison of Net Asset Value ("Trading NAV") per unit and Net Assets ("IFRS") per units

The primary reasons for the difference between the Trading NAV per unit and the IFRS per unit are due to offering costs which have been expensed for financial reporting purposes and amortized over five years for the purposes of calculating the Trading NAV.

	Net Asset Value Per Unit (Trading)	Net Assets Per Unit (IFRS)
December 31, 2023		
Series A - FEB-2022	\$ 105.31	\$ 105.16
Series F - OCT-2020	117.12	116.92
Series F4 - MAY-2023	105.07	104.89
Series F-USD - APR-2021	147.70	147.44

	Net Asset Value Per Unit (Trading)	Net Assets Per Unit (IFRS)
December 31, 2022		
Series A - FEB-2022	\$ 97.72	\$ 97.26
Series A - JUN-2022	97.72	97.81
Series A - JUL-2022	96.62	94.55
Series F - NOV-2022	108.41	107.90
Series F - DEC-2022	108.97	108.43
Series F - OCT-2020	108.50	107.99
Series F - JUL-2021	108.53	108.04
Series F - NOV-2021	108.41	107.88
Series F - DEC-2021	108.35	107.84
Series F - FEB-2022	108.40	107.90
Series F - MAR-2022	108.41	107.91
Series F - APR-2022	108.41	107.87
Series F - MAY-2022	107.21	106.70
Series F - JUN-2022	108.40	107.56
Series F - JUL-2022	108.41	107.90
Series F - AUG-2022	108.43	107.90
Series F - SEP-2022	108.41	107.90
Series F-USD - APR-2021	139.20	138.55
Series F-USD - NOV-2021	139.63	139.01
Series F-USD - DEC-2021	139.14	138.49
Series F-USD - JAN-2022	138.75	138.13

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

For the Years Ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

12. Involvement with unconsolidated structured entities:

The table below describes the types of structured entity that the Fund does not consolidate but in which it holds an interest as at December 31, 2023 and 2022:

December 31, 2023			
Name	Net asset Value of Underlying Fund	Investment fair value	% of Net asset value of Underlying Fund owned by the Fund
Astra Structured Credit Investments Limited	\$ 113,934,965	\$ 21,026,410	18.5%
Proof Capital Special Situations Fund	45,843,000	1,705,109	3.7%
	\$ 159,777,965	\$ 22,731,519	22.2%

December 31, 2022			
Name	Net asset Value of Underlying Fund	Investment fair value	% of Net asset value of Underlying Fund owned by the Fund
Astra Structured Credit Investments Limited	\$ 97,313,524	\$ 12,995,675	13.4%

The Fund has determined that the Underlying Funds, in which it invests, is an unconsolidated structured entity. This represents a significant judgement by the Fund and generally because decision-making about the Underlying Funds' investing activities is not governed by voting rights held by the Fund and other investors. The investment policies and limitations of the Underlying Funds may not be the same as those of the Fund and exposing the Fund to additional or different risks and may be managed or advised by the Manager to achieve respective investment objectives. The Underlying Funds finances its operations by issuing redeemable shares which are puttable at the holders' options and entitle the holder to a proportional stake in the Underlying Funds' net assets.

The Fund invests in the Underlying Funds by purchasing the Underlying Funds' redeemable shares. The shares of the Underlying Funds are not publicly traded and the Fund's investment in the Underlying Funds is subject to the terms and conditions of the Underlying Funds' constitutional documents. Management reviews the details of the reported information obtained from the Underlying Funds and considers:

- the liquidity of the Fund's holding in the Underlying Funds or its underlying investments; and
- the value date of the NAV provided.

RELEVANCE DIVERSIFIED CREDIT FUND

Notes to the Financial Statements

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(Expressed in Canadian dollars)

12. Involvement with unconsolidated structured entities (continued):

The change in fair value of the investments in the Underlying Funds is included in the statements of comprehensive income (loss) in net change in unrealized appreciation (depreciation) in value of investments. During 2023 and 2022, the Fund did not provide financial support to the Underlying Funds and has no intention of providing financial or other support.

13. Income taxes

The Fund qualifies as an investment trust and, accordingly, is not subject to tax on its net taxable income for the tax year which ends in December, including net realized capital gains, which are paid or payable to its unitholders at the end of the tax year. However, such part of the Fund's net income and net realized capital gains, as is not so paid or payable, is subject to income tax. It is the intention of the Fund to distribute all of its income and sufficient net realized capital gains so that the Fund will not be subject to income tax. The Fund may in certain circumstances be subject to alternative minimum tax even though its net income and net realized capital gains are paid or payable to its unitholders.

Non-capital losses are available to be carried forward for twenty years and applied against future taxable income. Capital losses for income tax purposes may be carried forward indefinitely and applied against future capital gains.

14. Subsequent events

Beginning January 2024, the Fund adopted transactional NAV basis from series-based accounting. This will be applicable to the six series currently being offered by the Fund.