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# Mulvihill U.S. Health Care Enhanced Yield ETF

Semi-Annual Report 2023

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# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

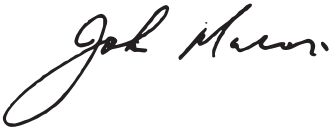
## Letter to Unitholders

We are pleased to present the 2023 semi-annual report containing the management report of the fund performance and the unaudited semi-annual condensed financial statements for Mulvihill U.S. Health Care Enhanced Yield ETF (the “Fund”).

It has been a remarkable first half of 2023 for markets, and very little has gone exactly as expected. After a difficult 2022 for most global indices and lows for this cycle last October, we entered 2023 with serious concerns about the economy, inflation and interest rates. However, surprisingly good economic releases, better, if not great, inflation, and even expectations that the FED was getting closer to relaxing its tightening policies all led to a renewed bullish sentiment and higher markets. Despite the disruptions caused by the failure of three U.S. banks and the debt ceiling debate, the S&P 500 Index closed the six-month period at a new year-to-date high, generating a total return of 16.9 percent. That number pales in comparison to the NASDAQ-100 Index which returned 39.3 percent, sparked by the earnings from NVIDIA Corporation that sent anything Artificial Intelligence (“AI”) and technology related sharply higher. Closer to home, the S&P/TSX Index which has less exposure to these types of companies, returned 5.8 percent.

The net asset value of the Fund declined 5.4 percent from \$10.00 per Unit at January 31, 2023, the first net asset value date, to \$9.46 per Unit at June 30, 2023. The Fund paid cash distributions of \$0.29 per Unit during the period. For a detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

We thank all unitholders for their continued support and encourage unitholders to review the detailed information contained within the semi-annual report.



John P. Mulvihill  
Chairman & CEO  
Mulvihill Capital Management Inc.

## The Fund

The Fund is a mutual fund investment trust that seeks to provide unitholders with long-term capital appreciation through exposure to a portfolio consisting principally of U.S. health care issuers selected from the S&P 500 Index that are classified as “health care” by Standard & Poor’s Global Industry Classification Standard and monthly cash distributions.

To accomplish its objectives, the Fund will invest in an actively managed portfolio comprised principally of securities from the S&P 500 Health Care Index. The Fund may also invest up to 25 percent of its net asset value in securities included in the S&P Global 1200 Health Care Index and the S&P/TSX Composite Health Care GICS® Index (that are not included in the S&P 500 Health Care Index). Modest leverage of up to 25 percent enhances the dividend yields of the underlying stocks and provides additional return potential. The Fund will also utilize option strategies to enhance the portfolio income.

The Fund employs an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the Fund while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Management Report of Fund Performance

### Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2023 of Mulvihill U.S. Health Care Enhanced Yield ETF (the “Fund”). The unaudited semi-annual condensed financial statements of the Fund for the six months ended June 30, 2023 are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, P.O. Box 113, Toronto, Ontario, M5H 3T9, by email at [info@mulvihill.com](mailto:info@mulvihill.com) or by visiting our website at [www.mulvihill.com](http://www.mulvihill.com). You can also request semi-annual or annual reports at no cost by using one of the above methods.

### Investment Objectives and Strategies

The Fund seeks to provide unitholders with long-term capital appreciation through exposure to a portfolio consisting principally of U.S. health care issuers selected from the S&P 500 Index that are classified as “health care” by Standard & Poor’s Global Industry Classification Standard and monthly cash distributions.

In order to achieve its investment objectives, the Fund will invest in an actively managed portfolio comprised principally of securities from the S&P 500 Health Care Index. The Fund may also invest up to 25% of its net asset value in securities included in the S&P Global 1200 Health Care Index and the S&P/TSX Composite Health Care GICS<sup>®</sup> Index (that are not included in the S&P 500 Health Care Index). The Fund will also write call and put options on a portion of its portfolio to seek to generate investment returns and, in the case of put options, acquire securities at predetermined prices in a manner that reduces acquisition costs.

### Risk

Risks associated with an investment in the securities of the Fund are discussed in the Fund’s prospectus, which is available on the Fund’s website at [www.mulvihill.com](http://www.mulvihill.com) or on SEDAR at [www.sedar.com](http://www.sedar.com). There were no changes to the Fund over the period that materially affected the risks associated with an investment in the securities of the Fund.

### Results of Operations

#### Distributions

For the six months ended June 30, 2023, cash distributions of \$0.29 per Unit were paid.

#### Revenue and Expenses

The Fund commenced operations on February 1, 2023. The Fund’s total revenue was \$0.04 per Unit and total expenses were \$0.29 per Unit for the six months ended June 30, 2023. The Fund’s realized and unrealized gain was a net gain of \$0.12 per Unit for the six months ended June 30, 2023.

#### Net Asset Value

The net asset value of the Fund per Unit decreased 5.4 percent from \$10.00 per Unit at January 31, 2023, the first net asset value date, to \$9.46 per Unit at June 30, 2023. The aggregate net asset value of the Fund increased \$7.1 million from \$0.0 million at December 31, 2022 to \$7.1 million at June 30, 2023, reflecting proceeds of \$7.4 million from issuance of Units, a decrease in net assets attributable to holder of Units of \$0.1 million and cash distributions of \$0.2 million during the period.

### Recent Developments

There were no recent developments pertaining to the Fund during the semi-annual period ending June 30, 2023.

## Related Party Transactions

Mulvihill Capital Management Inc. (“Mulvihill”), acts as the trustee, manager and portfolio manager of the Fund (the “Manager”) pursuant to the Declaration of Trust dated February 14, 2022 and as amended and restated on December 16, 2022. The Manager has taken the initiative and may be considered to be a promoter of the Fund. Pursuant to the Declaration of Trust, the Manager is required to provide, or cause to be provided, all necessary or advisable administrative services and facilities including valuation, fund accounting and unitholder records.

Mulvihill is paid the fees described under the Management Fees section of this report.

During the period, no recommendations or approvals were required to be sought from the Independent Review Committee (“IRC”) concerning related party transactions.

## Independent Review Committee

National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert G. Bertram, R. Peter Gillin and Dr. Robert Bell.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Management Report of Fund Performance

### Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the period from inception on February 14, 2022 to June 30, 2023. Note that operations commenced on February 1, 2023. Information for the period ended June 30, 2023 is derived from the Fund's unaudited semi-annual condensed financial statements.

	Six months ended June 30, 2023		Period ended December 31, 2022 <sup>(4)</sup>	
<b>NET ASSETS PER UNIT</b>				
<b>Net Assets, beginning of period<sup>(1)</sup></b>	\$	10.00	\$	10.00
INCREASE (DECREASE) FROM OPERATIONS				
Total revenue		0.04		—
Total expenses		(0.29)		—
Realized loss for the period		(0.50)		—
Unrealized gain for the period		0.62		—
<b>Total Decrease from Operations<sup>(2)</sup></b>		<b>(0.13)</b>		—
DISTRIBUTIONS				
Non-taxable distributions		(0.29)		—
<b>Total Distributions<sup>(3)</sup></b>		<b>(0.29)</b>		—
<b>Net Assets, end of period<sup>(1)</sup></b>	\$	<b>9.46</b>	\$	10.00

(1) All per Unit figures are derived from the Fund's unaudited condensed financial statements for the six months ended June 30, 2023. Net assets per Unit is the difference between the aggregate value of the assets and the aggregate value of the liabilities divided by the number of Units then outstanding.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses, and is calculated based on the weighted average number of Units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of Units outstanding during the period.

(3) Distributions to unitholders are based on the number of shares outstanding on the record date for each distribution.

(4) For the period from inception on February 14, 2022 to December 31, 2022.

	Six months ended June 30, 2023		Period ended December 31, 2022 <sup>(6)</sup>	
<b>RATIOS/SUPPLEMENTAL DATA</b>				
Net Asset Value (\$millions)	\$	7.10	\$	10.00
Number of units outstanding		750,000		1
Management expense ratio <sup>(1)</sup>		7.24% <sup>(4)</sup>		—
Portfolio turnover rate <sup>(2)</sup>		98.30%		—
Trading expense ratio <sup>(3)</sup>		0.11% <sup>(4)</sup>		—
Net Asset Value per Unit <sup>(5)</sup>	\$	9.46		—
Closing market price	\$	9.52 <sup>(7)</sup>		—

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales tax but excluding transaction fees, divided by the average net asset value. Generally, the MER increases when the Fund becomes smaller in size due to redemptions. The MER, excluding withholdings taxes, is 7.08% for the six months ended June 30, 2023.

(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

(3) Trading expense ratio represents total commissions expressed as a percentage of daily average net asset value during the period.

(4) Annualized.

(5) Net Asset Value per Unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities divided by the number of Units then outstanding.

(6) For the period from inception on February 14, 2022 to December 31, 2022.

(7) The last date with an executed trade was June 27, 2023.

### Management Fees

Mulvihill, as the Investment Manager and Manager of the Fund, is entitled to fees under the Trust Agreement calculated and accrued daily and paid monthly as  $\frac{1}{12}$  of 0.65 percent of the net asset value of the Fund at each month end. Services received under the Trust Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund, and providing for or arranging for required administrative services to the Fund. Mulvihill also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

### Past Performance

The Fund has been operational for less than one year. No year-by-year returns, annual total return or compound return have been calculated.

### Portfolio Manager Report

It has been a remarkable first half of 2023 for markets, and very little has gone exactly as expected. After a difficult 2022 for most global indices and lows for this cycle last October, we entered 2023 with serious concerns about the economy, inflation and interest rates. However, surprisingly good economic releases, better, if not great, inflation, and even expectations that the FED was getting closer to relaxing its tightening policies all led to a renewed bullish sentiment and higher markets. Despite the disruptions caused by the failure of three U.S. banks and the debt ceiling debate, the S&P 500 Index closed the six-month period at a new year-to-date high, generating a total return of 16.9 percent. That number pales in comparison to the NASDAQ-100 Index which returned 39.3 percent, sparked by the earnings from NVIDIA Corporation that sent anything Artificial Intelligence ("AI") and technology related sharply higher. Closer to home, the S&P/TSX Index which has less exposure to these types of companies, returned 5.8 percent.

The Health Care industry faced a difficult first half in 2023. The total return for the Health Care stocks for the six months ending June 30, 2023 was negative 1.5 percent. The performance of the health industry relative to the overall index was the weakest it has been for several decades.

The Health Care sub-industries are affected in different ways by the various forces impacting the markets generally. For instance, Tech-related names benefited from the recent focus on AI, while Biotech and Pharma were weaker due to higher interest rate expectations and recession concerns. Consensus earnings for the remainder of the year are more positive.

The best performing companies held in the Fund during this period were Eli Lilly and Company and Intuitive Surgical, Inc. The weakest companies over the same period were Humana Inc and Illumina Inc.

The net asset value ("NAV") per Unit of the Fund at June 30, 2023 was \$9.46 compared to \$10.00 at January 31, 2023, the first net asset value date. The Units, which are listed on the Toronto Stock Exchange as XLVE, last traded at \$9.52. The prices represent a \$0.06 premium to the NAV per Unit. Distributions of \$0.29 per share were paid to the shareholders during the period. The Fund's total return per Unit, including reinvestment of distributions, was negative 2.4 percent.

Volatility of the stocks within the industry was down from last year and trended lower over the period to touch a two-year low near the end of June. The level of call overwriting since February 1, 2023 ranged from 4.1 percent to 20.6 percent and closed the period at 13.2 percent. Put-writing ranged from 0 percent to 9.8 percent and ended at 1.8 percent.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Management Report of Fund Performance

### Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at [www.mulvihill.com](http://www.mulvihill.com).

#### Asset Mix

June 30, 2023

	% OF NET ASSET VALUE
Health Care	95.2%
Cash	4.6%
Other Assets (Liabilities)	0.2%
	100.0%

#### Portfolio Holdings

June 30, 2023

	% OF NET ASSET VALUE
Intuitive Surgical, Inc.	4.7%
Zimmer Biomet Holdings, Inc.	4.7%
Boston Scientific Corporation	4.6%
Cash	4.6%
Eli Lilly and Company	4.6%
Cardinal Health, Inc.	4.5%
HCA Healthcare, Inc.	4.4%
Merck & Co., Inc.	4.4%
West Pharmaceutical Services, Inc.	4.3%
Stryker Corporation	4.1%
The Cooper Companies, Inc.	4.1%
Abbott Laboratories	4.0%
Hologic, Inc.	4.0%
UnitedHealth Group Incorporated	4.0%
IDEXX Laboratories, Inc.	3.9%
Teleflex Incorporated	3.9%
Zoetis Inc.	3.9%
Medtronic PLC	3.8%
ResMed Inc.	3.8%
Biogen Inc.	3.6%
Dexcom, Inc.	3.6%
Edwards Lifesciences Corporation	3.6%
Bio-Techne Corporation	3.3%
STERIS PLC	3.1%
Align Technology, Inc.	2.3%



## Management Report of Fund Performance

### Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Management’s Responsibility for Financial Reporting

The accompanying condensed financial statements of Mulvihill U.S. Health Care Enhanced Yield ETF (the “Fund”) and all the information in this semi-annual report are the responsibility of the management of Mulvihill Capital Management Inc. (the “Manager”) and have been approved by the Board of Directors of the Manager (the “Board”).

The financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the condensed financial statements.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Audit Committee meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting matters, and to review the annual report, the financial statements and the independent auditor’s report. Deloitte LLP, the Fund’s independent auditor, has full and unrestricted access to the Audit Committee and the Board.



John P. Mulvihill  
Director  
Mulvihill Capital Management Inc.



John D. Germain  
Director  
Mulvihill Capital Management Inc.

August 16, 2023

**Notice to Unitholders**

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2023 have been prepared by management and have not been reviewed by the independent auditor of the Fund.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Condensed Financial Statements

### Statements of Financial Position

As at June 30, 2023 (Unaudited) and December 31, 2022 (Audited)

	Note	2023	2022
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	4	\$ 6,756,316	–
Cash		325,626	10
Dividends receivable		5,875	–
Derivative assets		95,258	–
<b>TOTAL ASSETS</b>		<b>7,183,075</b>	<b>10</b>
<b>LIABILITIES</b>			
Accrued liabilities		40,967	–
Distribution payable		43,750	–
<b>TOTAL LIABILITIES</b>		<b>84,717</b>	<b>–</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS</b>		<b>\$ 7,098,358</b>	<b>\$ 10</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT</b>		<b>\$ 9.4645</b>	<b>\$ 10.0000</b>

The notes are an integral part of the Condensed Financial Statements.

Statements of Comprehensive Income

Six months ended June 30, 2023 (Unaudited) and the period from inception on February 14, 2022 to June 30, 2022 (Unaudited)

	Note	2023	2022
<b>INCOME</b>			
Dividend income		\$ 21,806	—
Interest income		2,263	—
Net realized loss on investments at fair value through profit or loss		(368,076)	—
Net realized gain on options at fair value through profit or loss		136,253	—
Net realized loss on forward exchange contracts at fair value through profit or loss		(73,446)	—
Net change in unrealized gain on investments at fair value through profit or loss		372,753	—
<b>TOTAL INCOME, NET</b>		<b>91,553</b>	<b>—</b>
<b>EXPENSES</b>			
Administrative and other expenses		69,463	—
Transaction fees	5	2,492	—
Custodian fees		25,783	—
Audit fees		36,750	—
Independent review committee fees	4	4,585	—
Legal fees		14,879	—
Unitholder reporting costs		1,422	—
Harmonized sales tax		12,813	—
Withholding taxes		3,798	—
<b>TOTAL EXPENSES</b>		<b>171,985</b>	<b>—</b>
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS</b>	<b>6</b>	<b>\$ (80,432)</b>	<b>—</b>
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT</b>	<b>6</b>	<b>\$ (0.1339)</b>	<b>—</b>

The notes are an integral part of the Condensed Financial Statements.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Condensed Financial Statements

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

Six months ended June 30, 2023 (Unaudited) and the period from inception on February 14, 2022 to June 30, 2022 (Unaudited)

	2023	2022
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS, BEGINNING OF PERIOD	\$ 10	\$ -
<b>Decrease in Net Assets Attributable to Holders of Units</b>	<b>(80,432)</b>	<b>-</b>
<b>Unit Transactions</b>		
Proceeds from redeemable units issued	7,362,529	10
<b>Distributions</b>		
Non-taxable distributions	(183,749)	-
<b>Changes in Net Assets Attributable to Holders of Units</b>	<b>7,098,358</b>	<b>10</b>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS, END OF PERIOD	\$ 7,098,358	10

### Statements of Cash Flows

Six months ended June 30, 2023 (Unaudited) and the period from inception on February 14, 2022 to June 30, 2022 (Unaudited)

	2023	2022
CASH, BEGINNING OF PERIOD	\$ 10	\$ -
<b>Cash Flows Provided By (Used In) Operating Activities</b>		
<b>Decrease in net assets attributable to holders of units</b>	<b>(80,432)</b>	<b>-</b>
<b>Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities</b>		
Net realized loss on investments at fair value through profit or loss	368,076	-
Net realized gain on options at fair value through profit or loss	(136,253)	-
Net realized loss on forward exchange contracts at fair value through profit and loss	73,446	-
Net unrealized gain on investments at fair value through profit or loss	(372,753)	-
Net unrealized gain on foreign cash	(21,404)	-
Increase in dividends receivable	(5,875)	-
Increase in due to accrued liabilities	40,967	-
Purchase of investment securities	(11,340,498)	-
Proceeds from disposition of investment securities	4,577,812	-
	<b>(6,816,482)</b>	<b>-</b>
<b>Cash Flows Provided By (Used In) Financing Activities</b>		
Proceeds from Units issued	7,362,529	10
Unit distributions	(139,999)	-
	<b>7,222,530</b>	<b>10</b>
<b>Net Increase in Cash during the Period</b>	<b>325,616</b>	<b>10</b>
CASH, END OF PERIOD	\$ 325,626	\$ 10
Dividends received	\$ 15,931	\$ -
Interest received	\$ 2,263	\$ -

The notes are an integral part of the Condensed Financial Statements.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Schedule of Investments

As at June 30, 2023 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Units
<b>INVESTMENTS</b>				
<b>United States Common Shares</b>				
<b>Health Care</b>				
Abbott Laboratories	1,982	\$ 295,391	\$ 285,923	
Align Technology, Inc.	345	145,657	161,443	
Biogen Inc.	686	283,098	258,571	
Bio-Techne Corporation	2,168	247,623	234,179	
Boston Scientific Corporation	4,516	295,277	323,229	
Cardinal Health, Inc.	2,544	288,886	318,353	
Dexcom, Inc.	1,493	239,664	253,884	
Edwards Lifesciences Corporation	2,050	249,525	255,884	
Eli Lilly and Company	521	248,865	323,319	
HCA Healthcare, Inc.	777	270,975	312,026	
Hologic, Inc.	2,661	296,483	285,107	
IDEXX Laboratories, Inc.	416	268,068	276,462	
Intuitive Surgical, Inc.	740	253,046	334,827	
Merck & Co., Inc.	2,059	296,349	314,386	
ResMed Inc.	936	294,970	270,624	
Stryker Corporation	722	283,003	291,477	
Teleflex Incorporated	867	294,135	277,669	
The Cooper Companies, Inc.	580	277,420	294,275	
UnitedHealth Group Incorporated	448	305,533	284,929	
West Pharmaceutical Services, Inc.	597	290,820	302,142	
Zimmer Biomet Holdings, Inc.	1,714	297,362	330,226	
Zoetis Inc.	1,215	282,762	276,869	
<b>Total Health Care</b>		6,004,912	6,265,804	88.3%
<b>Total United States Common Shares</b>		\$ 6,004,912	\$ 6,265,804	88.3%
<b>Non-North American Common Shares</b>				
<b>Health Care</b>				
Medtronic PLC	2,300	\$ 272,163	\$ 268,128	
STERIS PLC	747	212,249	222,384	
<b>Total Health Care</b>		484,412	490,512	6.9%
<b>Total Non-North American Common Shares</b>		\$ 484,412	\$ 490,512	6.9%
<b>Forward Exchange Contracts</b>				
Sold USD \$350,000				
Bought CAD \$473,053 @0.73988 – July 27, 2023			\$ 10,083	
Sold USD \$4,700,000				
Bought CAD \$6,365,633 @0.73834 – July 27, 2023			148,552	
<b>Total Forward Exchange Contracts</b>			\$ 158,635	2.2%

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Schedule of Investments

As at June 30, 2023 (Unaudited)

	Number of Contracts	Average Cost/ Proceeds	Fair Value	% of Net Assets Attributable to Holders of Units
<b>Options</b>				
<b>Written Covered Call Options</b> (100 shares per contract)				
Align Technology Inc. – July 2023 @ \$310	(2)	\$ (3,308)	\$ (11,883)	
Biogen Inc. – July 2023 @ \$300	(6)	(7,534)	(2,402)	
IDEXX Laboratories Inc. – July 2023 @ \$460	(3)	(5,562)	(18,022)	
Intuitive Surgical Inc. – July 2023 @ \$310	(4)	(6,028)	(17,520)	
The Cooper Companies, Inc. – July 2023 @ \$370	(5)	(5,028)	(10,950)	
<b>Total Written Covered Call Options</b>		(27,460)	(60,777)	(0.9)%
<b>Written Covered Put Options</b> (100 shares per contract)				
Intuitive Surgical Inc. – July 2023 @ \$335	(3)	\$ (3,609)	\$ (2,600)	
<b>Total Written Covered Put Options</b>		(3,609)	(2,600)	0.0%
<b>Total Options</b>		\$ (31,069)	\$ (63,377)	(0.9)%
Adjustment for transaction fees		(838)		
<b>TOTAL INVESTMENTS</b>		\$ 6,457,417	\$ 6,851,574	96.5%
<b>OTHER NET ASSETS</b>			246,784	3.5%
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS</b>			\$ 7,098,358	100.0%



June 30, 2023 (Unaudited)

**1. Basis of Presentation**

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These semi-annual condensed financial statements have been prepared in compliance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”).

These semi-annual condensed financial statements follow the same accounting policies and method of application as, and should be read in conjunction with, the most recent audited financial statements for the period ended December 31, 2022.

These condensed financial statements were approved by the Board of Directors of the Manager on August 16, 2023.

**2. Summary of Significant Accounting Policies**

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**Functional and Presentation Currency**

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the “functional currency”). The Manager has determined that the functional currency is Canadian dollars, which is also the presentation currency.

**Financial Instruments**

IFRS 9: Financial Instruments (“IFRS 9”) requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit or loss or other comprehensive income, based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of financial assets are recognized at their trade date. The Fund’s investments are classified at fair value through profit or loss (“FVTPL”). The Fund’s obligation for net assets attributable to holders of Units is presented at the redemption amount as of the statement of financial position date. All other financial assets and liabilities are measured at amortized cost. The Fund’s accounting policies for measuring the fair value of its investments are identical to those used in measuring its NAV for transactions with unitholders.

**Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss****Classification****Financial Assets**

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

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

Consequently, these financial assets are mandatorily measured at FVPL.

**Held for Trading**

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Notes to the Condensed Financial Statements

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of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

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

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

### Financial Assets and Financial Liabilities at Amortized Cost

The financial assets and liabilities measured at amortized cost may include cash, dividends receivable, due from brokers – investments, due to brokers – investments, accrued liabilities, accrued management fees, redemptions payable, borrowings and the Fund's obligation for net assets attributable to holders of Units.

IFRS 9 requires the expected credit loss model ("ECL") as the impairment model for financial assets carried at amortized cost. At each reporting date, the Fund measures the loss allowance on cash held, amounts due from broker, accrued income and other short-term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that no expected credit loss allowance is required.

### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price as its valuation input for financial assets and liabilities if the last traded price falls within the bid-ask spread. In other circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value for financial reporting purposes.

The fair value of financial assets and liabilities that are not traded in an active market are determined by valuation techniques as described in Note 4.

### Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Net realized gain/(loss) on investments at fair value through profit or loss and net change in unrealized gain/(loss) on investments at fair value through profit or loss are determined on an average cost basis. Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from:

- (i) Expiration of written options whereby realized gains are equivalent to the premium received,
- (ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option, and
- (iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses relating to purchased put options may arise from:

- (i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid,

Notes to the Condensed Financial Statements

June 30, 2023 (Unaudited)

- (ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid, and
- (iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in the net change in unrealized gain/(loss) on investments at fair value through profit or loss. The premiums received on written put options that are exercised are included in the cost of the security purchased.

Dividend income is recorded on the ex-dividend date.

Interest income is measured using the effective interest method and recorded on a daily basis.

#### Classification of Units

IAS 32, Financial Instruments: Presentation (“IAS 32”) requires that the Fund Units (which are puttable instruments) be classified as financial liabilities.

#### Increase/Decrease) in Net Assets Attributable to Holders of Units per Unit

The increase/(decrease) in net assets attributable to holders of Units per Unit is calculated by dividing the increase/(decrease) in net assets attributable to holders of Units by the weighted average number of Units outstanding during the period. Refer to Note 8 for the calculation.

#### Taxation

The Fund is a “mutual fund trust” as defined in the Income Tax Act (Canada) (the “Act”). The Fund is subject to tax under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable to unitholders is recoverable by the Fund to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Fund and taking into account expenses, the Fund does not expect to bear any non-refundable income tax.

#### IAS 7 Statement of Cash Flows

IAS 7 Statement of Cash Flows (“IAS 7”) requires disclosures relating to changes in liabilities arising from financing activities. Units issued by the Fund are classified as financial liabilities in accordance with IAS 32. A reconciliation between the opening and closing balances of the Units of the Fund is presented in the Statement of Changes in Net Assets Attributable to Holders of Units, including changes from cash flows and non-cash changes.

### 3. Critical Accounting Estimates and Judgements

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The preparation of financial statements requires the Manager to use judgment in applying accounting policies and to make estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

The Fund may, from time to time, hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined by using valuation models and techniques generally

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## Notes to the Condensed Financial Statements

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recognized as standard within the investment industry. These valuation methods use observable data wherever possible. Observable market data are readily available and supplied by independent sources actively involved in the relevant market. However, areas such as credit risk (both own and counterparty) and its correlations require the Manager to make estimates. Significant changes in assumptions about these factors could adversely affect the reported fair values of financial instruments. Refer to Note 4 for a further analysis of risks associated with financial instruments.

### 4. Risks Associated with Financial Instruments

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The Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which the Fund invests. These risks include credit risk, liquidity risk, market risk (including currency risk, interest rate risk and price risk), concentration risk and capital risk management.

#### Credit Risk

The Fund is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange-traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. The Fund manages these risks through the use of various risk limits and trading strategies.

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

The Fund is also exposed to counterparty credit risk on derivative financial instruments. The counterparty credit risk for derivative financial instruments is managed by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102. During the six months ended June 30, 2023, the counterparties to the Fund's derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor's Ratings Services.

The Fund's derivative instruments are subject to offsetting, enforceable netting arrangements and similar agreements. The Fund and its counterparty have elected to settle all transactions on a gross basis; however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. All outstanding derivatives have been presented on a gross basis on the Statement of Financial Position as derivative assets or derivative liabilities, as they do not meet the criteria for offsetting in IAS 32 paragraph 42.

#### Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests the majority of its assets in investments that are traded in an active market and which can be easily disposed. In addition, the Fund aims to retain sufficient cash and short-term investments to maintain liquidity and to meet its obligations when due. Cash is required to fund redemptions. The Fund has a maximum of three business days to generate sufficient cash to fund redemptions.

Notes to the Condensed Financial Statements

June 30, 2023 (Unaudited)

The amounts in the table are the contractual undiscounted cash flows:

	As at June 30, 2023 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ –	\$ 40,967	\$ 40,967
Distribution payable	–	43,750	43,750
Units	7,098,358	–	7,098,358
	<b>\$ 7,098,358</b>	<b>\$ 84,717</b>	<b>\$ 7,183,075</b>

	As at December 31, 2022 Financial Liabilities		
	On Demand	< 3 months	Total
Units	\$ 10	\$ –	\$ 10

Market Risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses that show how the net assets attributable to holders of Units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The portfolio includes securities and options denominated in foreign currencies. The net asset value of the Fund and the value of the dividends and option premiums received by the Fund will be affected by fluctuations in the value of the foreign currencies relative to the Canadian dollar. The Fund uses forward exchange contracts, from time to time, to actively hedge all or the majority of its foreign currency exposure.

The Fund had no exposure to foreign currency as at December 31, 2022. The table below indicates the foreign currencies to which the Fund had significant exposure as at June 30, 2023 in Canadian dollar terms, and the notional amounts of forward exchange contracts. The table also illustrates the potential impact on the net assets attributable to Units if the Canadian dollar had strengthened or weakened by 5 percent in relation to each of the other currencies, with all other variables held constant.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Notes to the Condensed Financial Statements

June 30, 2023 (Unaudited)

	As at June 30, 2023 U.S. Currency Exposure								
	Monetary		Non-Monetary		Total		Impact on Net Assets Attributable to Holders of Units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
	\$ (6,423,499)	\$ 6,756,316	\$ 332,817	\$ (321,175)	\$ 337,816	\$ 16,641			
% of Net Assets Attributable to Holders of Units	(90)%	95%	5%	(4.5)%	4.8%	0.3%			

### (b) Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to price risk arises from its investments in equity securities. Net assets per unit varies as the value of the securities in the Fund varies. The Fund has no control over the factors that affect the value of the securities in the Fund, including factors that affect all the companies in the health care industry.

The Fund's price risk is managed by taking a long-term perspective and utilizing an option writing program, as well as by the use of purchased put options. The Fund was not exposed to price risk as at December 31, 2022. Approximately 95 percent of the Fund's net assets attributable to holders of Units held at June 30, 2023 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2023, the net assets attributable to holders of Units would have increased or decreased by \$0.3 million or 4.8 percent of the net assets attributable to holders of Units, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

The Manager believes that a portfolio that is subject to covered call option writing or purchased put options should provide a degree of protection against falling share prices in a downward trending market.

### Concentration Risk

Concentration risk arises as a result of the concentration of exposures with the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund was not exposed to concentration risk as at December 31, 2022. The following is a summary of the Fund's concentration risk at June 30, 2023:

	June 30, 2023
Health Care	100.0%

Notes to the Condensed Financial Statements

June 30, 2023 (Unaudited)

Fair Value Measurement

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs, other than quoted prices 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 that are based on unobservable market data.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The Fund had no investments measured at fair value as at December 31, 2022. The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2023.

	As at June 30, 2023			
	Level 1	Level 2	Level 3	Total
United States Common Shares	\$ 6,265,804	\$ –	\$ –	\$ 6,265,804
Non-North America Common Shares	490,512	–	–	490,512
Forward Exchange Contracts	–	158,635	–	158,635
Options	(63,377)	–	–	(63,377)
	\$ 6,692,939	\$ 158,635	\$ –	\$ 6,851,574

There were no transfers between Level 1 and Level 2 and the Fund did not hold any financial instruments within Level 3 of the fair value hierarchy during the six months ended June 30, 2023.

The carrying values of cash, dividends receivable, due to brokers – investments, accrued liabilities, accrued management fees, borrowings and the Fund's obligation for net assets attributable to holders of Units approximate their fair values due to their short-term nature.

(a) Equities

The Fund's equity positions are classified as Level 1 as equity securities are actively traded and a reliable quoted price is observable.

(b) Derivative Assets and Liabilities

Derivative assets and liabilities consist of forward exchange contracts and option contracts.

Listed options are classified as Level 1 as the security is traded in a recognized exchange and a reliable price is readily observable.

Forward exchange contracts are valued as the gain or loss that would be realized if, on the valuation date, the position in the forward exchange contract, as the case may be, was to be closed out. Over-the-counter option and forward exchange contracts, for which the credit risks are determined not to be significant to fair value, have been classified as Level 2.

# Mulvihill U.S. Health Care Enhanced Yield ETF [XLVE]

## Notes to the Condensed Financial Statements

June 30, 2023 (Unaudited)

### 5. Units

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For the six months ended June 30, 2023, cash distributions paid to unitholders were \$183,749 (period ended December 31, 2022 – nil) representing a payment of \$0.29 per Unit.

For the six months ended June 30, 2023, 749,999 Units (period ended December 31, 2022 – 1 Unit) were issued for proceeds of \$7,362,529 (period ended December 31, 2022 – \$10).

During the six months ended June 30, 2023 and period ended December 31, 2022, Unit transactions were as follows:

	June 30, 2023	Dec. 31, 2022
<b>Units</b>		
Units outstanding, beginning of period	1	–
Units issued	749,999	1
Units outstanding, end of period	750,000	1

### 6. Related Party Transactions

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Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### (a) Management Fees

Mulvihill, as Manager under the terms of the Management Agreement and as Investment Manager under the terms of the Investment Management Agreement, receives a management fee payable at an annual rate of 0.65 percent of the Fund's net asset value, calculated monthly, plus applicable taxes. The Fund is responsible for all ongoing custodian, manager, legal, accounting and audit fees as well as all other expenses incurred by the Manager in the ordinary course of business relating to the Fund's operations.

The manager has waived management fees until assets under management reach a discretionary threshold.

#### (b) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2023 were \$4,585 (period ended June 30, 2022 was nil).

### 7. Brokerage Commissions and Soft Dollars

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The Manager may select brokerages who charge a commission in soft dollars if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. The ascertainable soft dollar value received as a percentage of total transaction fees paid for the six months ended June 30, 2023 and period ended June 30, 2022 is disclosed below:

	June 30, 2023	June 30, 2022
Soft Dollars	\$ 682	\$ –
Percentage of Total Transaction Fees	27.4%	–%



Notes to the Condensed Financial Statements

June 30, 2023 (Unaudited)

8. Decrease in Net Assets Attributable to Holders of Units per Unit

The increase/(decrease) in net assets attributable to holders of Units per Unit for the six months ended June 30, 2023 and the period ended June 30, 2022 is calculated as follows:

	June 30, 2023	June 30, 2022
Decrease in Net Assets Attributable to Holder of Units	\$ (80,432)	\$ –
Weighted average Number of Units Outstanding During the Period	600,667	1
Decrease in Net Assets Attributable to Holders of Units per Unit	\$ (0.1339)	\$ –

**Investment Funds Managed by  
Mulvihill Capital Management Inc.**

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**EXCHANGE-TRADED FUNDS**

Mulvihill Canadian Bank Enhanced Yield ETF (CBNK)  
Mulvihill Premium Yield ETF (MPY)  
Mulvihill U.S. Health Care Enhanced Yield ETF (XLVE)

**MUTUAL FUNDS**

Mulvihill Premium Yield Fund

**SPLIT SHARES**

Premium Income Corporation (PIC.PR.A, PIC.A)  
S Split Corp. (SBN.PR.A, SBN)  
Top 10 Split Trust (TXT.PR.A, TXT.UN)  
World Financial Split Corp. (WFS.PR.A, WFS)

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