

Financial Statements of

**NEWGEN FOCUSED
ALPHA FUND**

For the six-months ended June 30, 2023 and
2022

(Unaudited)

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by NewGen Asset Management Limited in its capacity as the Manager of the Fund. The Fund's Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgements made by the Manager. The significant accounting policies which the Trustee believes are appropriate for the Fund are described in Note 2 to the unaudited interim financial statements.

On behalf of the Manager

"David Dattels"

August 15, 2023

Date

NOTICE TO UNITHOLDERS

The Auditors of the Fund have not reviewed these financial statements.

NewGen Asset Management Limited, Manager of the Fund, appoints an independent auditor to audit the Fund's annual financial statements. Applicable securities laws require that if an auditor has not reviewed the Fund's interim financial statements, this must be disclosed in an accompanying notice.

NEWGEN FOCUSED ALPHA FUND

Statements of Financial Position (Unaudited) As at June 30, 2023 and December 31, 2022

	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	\$ 8,952	\$ –
Due from broker	6,906,005	7,506,490
Investments owned, at fair value through profit or loss (note 6)	40,053,308	24,656,996
Interest and dividends receivable	102,143	94,600
Prepaid expenses	10,491	20,809
Other receivables	13,815	15,059
Subscriptions receivable	–	1,000
	<u>47,094,714</u>	<u>32,294,954</u>
LIABILITIES		
Current liabilities		
Investments sold short, at fair value through profit or loss (note 6)	10,794,549	7,010,417
Accounts payable and accrued liabilities	158,390	76,408
Redemptions payable	–	45,427
Management fees payable (note 3)	43,019	15,474
Performance fees payable (note 3)	765	–
Dividends payable on investments sold short	32,654	10,113
Payable for investments purchased	–	250,600
Other payables	5,592	2,012
	<u>11,034,969</u>	<u>7,410,451</u>
Net assets attributable to holders of redeemable units	<u>\$ 36,059,745</u>	<u>\$ 24,884,503</u>
Net assets attributable to holders of redeemable units per Class		
Class C	\$ 32,489,828	\$ 21,350,389
Class F	174,366	289,767
Class G	689,678	702,174
Class I	2,705,873	2,542,173
	<u>\$ 36,059,745</u>	<u>\$ 24,884,503</u>
Number of redeemable units outstanding (note 4)		
Class C	2,767,524	1,915,667
Class F	14,679	25,693
Class G	60,039	64,094
Class I	227,069	227,622
Net assets attributable to holders of redeemable units per unit		
Class C	\$ 11.74	\$ 11.15
Class F	11.88	11.28
Class G	11.49	10.96
Class I	11.92	11.17

See accompanying notes to financial statements.

Approved on behalf of the Fund:

"David Dattels"

Manager
NewGen Asset Management Limited

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

NEWGEN FOCUSED ALPHA FUND

Statements of Comprehensive Income (Loss) (Unaudited) For the six-months ended June 30, 2023 and 2022

	2023	2022
Income		
Dividends	\$ 453,889	\$ 77,656
Interest income for distribution purposes	185,896	52,450
Net realized gain (loss) on sale of investments, including foreign exchange adjustments	3,702,861	(966,472)
Net change in unrealized depreciation in value of investments, including foreign exchange adjustments	(1,532,142)	(1,980,987)
Net change in unrealized depreciation on derivatives (note 2)	–	(215)
Net realized loss on forward contracts	(7,081)	–
Other income	3,706	–
	<u>2,807,129</u>	<u>(2,817,568)</u>
Expenses		
Commissions and other portfolio transaction costs	500,257	380,476
Interest and borrowing fees	389,509	196,676
Performance fees (note 3)	223,219	80,877
Management fees (note 3)	113,528	125,574
Operating costs	77,925	63,407
Audit fees	52,683	50,850
Dividends paid on investments sold short	48,427	13,320
Legal fees	4,092	2,902
	<u>1,409,640</u>	<u>914,082</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>\$ 1,397,489</u>	<u>\$ (3,731,650)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per Class		
Class C	\$ 1,179,911	\$ (3,279,558)
Class F	12,577	(55,594)
Class G	32,801	(106,609)
Class I	172,200	(289,889)
	<u>\$ 1,397,489</u>	<u>\$ (3,731,650)</u>
Increase (decrease) in net assets attributable to holders of redeemable units per unit (note 9)		
Class C	\$ 0.54	\$ (1.27)
Class F	0.72	(1.40)
Class G	0.53	(1.44)
Class I	0.76	(1.34)

NEWGEN FOCUSED ALPHA FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited) For the six-months ended June 30, 2023 and 2022

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued*	Redemption of redeemable units*	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
2023					
Class C	\$ 21,350,389	\$ 17,470,041	\$ (7,510,513)	\$ 1,179,911	\$ 32,489,828
Class F	289,767	38,879	(166,857)	12,577	174,366
Class G	702,174	6,500	(51,797)	32,801	689,678
Class I	2,542,173	49,297	(57,797)	172,200	2,705,873
	<u>\$ 24,884,503</u>	<u>\$ 17,564,717</u>	<u>\$ (7,786,964)</u>	<u>\$ 1,397,489</u>	<u>\$ 36,059,745</u>

* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2023 were \$24,994 and \$(24,994), respectively.

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued**	Redemption of redeemable units**	Decrease in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
2022					
Class C	\$ 16,984,281	\$ 16,444,944	\$ (2,447,505)	\$ (3,279,558)	\$ 27,702,162
Class F	537,068	40,209	(120,752)	(55,594)	400,931
Class G	593,417	411,466	(82,016)	(106,609)	816,258
Class I	2,489,767	260,000	(184,852)	(289,889)	2,275,026
	<u>\$ 20,604,533</u>	<u>\$ 17,156,619</u>	<u>\$ (2,835,125)</u>	<u>\$ (3,731,650)</u>	<u>\$ 31,194,377</u>

** Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2022 were \$85,181 and \$(85,181), respectively.

NEWGEN FOCUSED ALPHA FUND

Statements of Cash Flows (Unaudited)

For the six-months ended June 30, 2023 and 2022

	2023	2022
Cash provided by (used in):		
Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,397,489	\$ (3,731,650)
Adjustments for non-cash items		
Net realized (gain) loss on sale of investments, including foreign exchange adjustments	(3,702,861)	966,472
Net change in unrealized depreciation in value of investments, including foreign exchange adjustments	1,532,142	1,980,987
Net change in unrealized depreciation on derivatives	–	215
Change in non-cash balances		
Decrease (increase) in due from broker	591,533	(6,260,414)
Increase in interest and dividends receivable	(7,543)	(26,894)
Decrease in prepaid expenses	10,318	–
Increase in receivable for investments sold	–	(761,067)
Decrease (increase) in other receivables	1,244	(4,375)
Increase in accounts payable and accrued liabilities	81,982	43,319
Increase in management fees payable	27,545	8,523
Increase (decrease) in performance fees payable	765	(111,532)
Increase in dividends payable on investments sold short	22,541	5,000
(Decrease) increase in payable for investments purchased	(250,600)	444,665
Increase (decrease) in other payables	3,580	(24,110)
Proceeds from sale of investments	156,899,658	65,009,760
Purchase of investments	(166,345,737)	(72,032,074)
Cash used in operating activities	<u>(9,737,944)</u>	<u>(14,493,175)</u>
Financing Activities		
Proceeds from redeemable units issued	17,540,723	17,236,438
Amount paid on redemption of redeemable units	(7,807,397)	(2,749,944)
Cash provided by financing activities	<u>9,733,326</u>	<u>14,486,494</u>
Decrease in cash during the period	(4,618)	(6,681)
Foreign exchange gain on cash	4,618	6,681
Cash, beginning of period	–	–
Cash, end of period	<u>\$ –</u>	<u>\$ –</u>
Supplemental information*		
Interest paid	\$ 19,379	\$ –
Interest received	206,263	40,140
Dividends paid	17,209	8,320
Dividends received, net of withholding taxes	425,979	63,071

*Included as a part of cash flows from operating activities

NEWGEN FOCUSED ALPHA FUND

Schedule of Investment Portfolio (Unaudited)

As at June 30, 2023

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian equities				
172,500	ABC Technologies Holdings Inc.	\$ 1,152,501	\$ 1,026,374	2.85
86,500	Alaris Equity Partners Income	1,491,309	1,310,475	3.63
1,012,000	Alpha Lithium Corp.	1,248,565	1,386,440	3.84
400,000	Asante Gold Corp.	780,949	684,000	1.90
800,000	Atlas Engineered Products Ltd.	900,000	952,000	2.64
689,700	Augusta Gold Corp.	883,855	682,803	1.89
72,000	AutoCanada Inc.	1,485,439	1,383,840	3.84
9,700	Bombardier Inc.	581,279	633,507	1.76
211,667	Brunswick Exploration Inc. RSTD 10JUL2023	179,917	165,100	0.46
32,300	Canfor Corp.	768,950	768,094	2.13
87,000	Celestica Inc.	1,379,861	1,673,010	4.64
80,300	CI Financial Corp.	1,041,156	1,207,712	3.35
100,500	Collective Mining Ltd.	572,922	589,935	1.64
500,000	DATA Communications Management Corp. RSTD 25SEP2023	1,500,000	1,455,000	4.03
100,000	Decisive Dividend Corp.	546,000	701,000	1.94
300,000	European Residential Real Estate Investment Trust	886,620	858,000	2.38
650,000	Exro Technologies Inc.	1,462,500	1,397,500	3.88
13,600	First Quantum Minerals Ltd.	421,153	426,224	1.18
300,000	Full Circle Lithium Corp. RSTD 27JAN2024	210,000	204,000	0.57
300,000	Full Circle Lithium Corp. RSTD 27JUL2023	210,000	204,000	0.57
300,000	Full Circle Lithium Corp. RSTD 27OCT2023	210,000	204,000	0.57
10,500	goeasy Ltd.	1,067,141	1,161,090	3.22
275,000	i-80 Gold Corp. RSTD 1AUG2023	759,000	819,500	2.27
81,700	Kinross Gold Corp.	508,411	517,161	1.43
19,400	Lightspeed Commerce Inc.	434,531	434,754	1.21
366,000	Lithium Ionic Corp.	660,514	904,020	2.51
100,000	Minto Apartment Real Estate Investment Trust	1,438,000	1,502,000	4.17
163,400	NFI Group Inc.	1,348,050	1,864,394	5.17
13,100	Nutrien Ltd.	1,015,720	1,024,551	2.84
24,200	Open Text Corp.	1,188,633	1,333,420	3.70
102,042	Pasofino Gold Ltd.	100,002	33,674	0.09
45,300	Pet Valu Holdings Ltd.	1,510,923	1,377,120	3.82
25,000	Precision Drilling Corp.	1,644,166	1,618,250	4.49
186,900	Quipt Home Medical Corp.	1,469,911	1,326,990	3.68
23,400	Saputo Inc.	712,532	694,512	1.93
198,500	Solaris Resources Inc.	1,256,935	1,175,120	3.26
555,556	Somerset Energy Partners Corp RSTD	250,000	250,000	0.69
36,000	Spin Master Corp.	1,428,829	1,261,800	3.50
13,900	Stelco Holdings Inc.	655,922	600,758	1.67
13,035	Teck Resources Ltd.	749,113	727,614	2.02
461,300	Tenaz Energy Corp.	973,343	1,365,448	3.79
50,000	Transcontinental Inc.	746,500	733,000	2.03
		<u>37,831,152</u>	<u>38,638,190</u>	<u>107.18</u>

NEWGEN FOCUSED ALPHA FUND

Schedule of Investment Portfolio (Unaudited) (continued)

As at June 30, 2023

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian option				
16,100	Rogers Communications Inc. Call \$60 18AUG23	\$ 19,481	\$ 32,844	0.09
Canadian warrants				
66,185	Appia Rare Earths & Uranium Corp. \$1.10 17NOV2023 RSTD 17MAR2022	–	1	0.00
11,766	Ascot Resources Ltd \$1.25 8MAR2024 RSTD 9JUL2022	–	46	0.00
102,000	Cabral Gold Inc. \$0.80 06JUL23	6,120	–	–
50,000	Decisive Dividend Corp. \$7.09 13APR25	45,000	79,545	0.22
500,000	GR Silver Mining Ltd. \$0.37 29MAR2025 RSTD	–	4,228	0.01
150,000	Marathon Gold Corp. \$1.35 20SEP24	12,300	14,781	0.04
120,000	Osisko Development Corp. \$8.55 02MAR26	146,160	86,966	0.24
600,000	Outcrop Silver & Gold Corp. \$0.37 9MAR2024	11,700	14,463	0.04
391,000	Saturn Oil & Gas Inc. \$4.00 10MAR2025 RSTD 11JUL2022	391	99,705	0.28
1,060,600	Trillion Energy International Inc. \$0.45 24MAR2024 RSTD 25JUL2022	–	60,147	0.17
550,000	Trillion Energy International Inc. \$0.50 29JUN25	19,800	88,000	0.24
681,000	AbraSilver Resource Corp. \$0.50 6DEC2024	–	25,657	0.07
77,000	Baselode Energy Corp. \$0.80 19DEC2024	–	6,561	0.02
625,000	Brunswick Exploration Inc. \$0.75 22DEC2025 RSTD 23APR2023	–	232,099	0.64
211,666	Brunswick Exploration Inc. \$1.25 9MAR2026	–	59,357	0.16
105,833	Brunswick Exploration Inc. \$1.25 9MAR2026 RSTD 10JUL2023	–	29,678	0.08
125,000	EMP Metals Corp. \$0.90 16SEP2024	–	8,650	0.02
250,000	Encore Energy Corp. \$3.75 14FEB2026	160,250	243,064	0.67
82,500	Frontier Lithium Inc. \$2.75 10NOV2025	36,300	29,771	0.08
179,000	Full Circle Lithium Inc. \$1.10 25APR2025	–	12,196	0.03
50,000	Graphene Manufacturing Group Ltd \$3.35 30NOV2026	–	47,103	0.13
137,500	i-80 Gold Corp. \$3.45 31MAR2024 RSTD 1AUG2023	–	35,014	0.10
225,000	LithiumBank Resources Corp. \$2.00 15MAY2026	–	153,164	0.42
200,000	Oroco Resource Corp. \$2.40 21MAR2024	–	105	0.00
150,000	Tincrop Metals Inc. \$2 14MAY2026	–	–	–
		<u>438,021</u>	<u>1,330,301</u>	<u>3.66</u>
U.S. fixed income				
10,000	United States Treasury Note/Bond 3.625% 15FEB53	12,717	12,715	0.04
U.S. options				
4,600	Invesco QQQ Trust Series 1 Put \$350 18AUG23	37,832	19,789	0.05
60,000	iShares U.S. Real Estate ETF Put \$81 21JUL23	62,395	13,502	0.04
16,100	VIX 7 C20 Call \$20 19JUL23	29,471	5,967	0.02
		<u>129,698</u>	<u>39,258</u>	<u>0.11</u>
Total investments owned		38,431,069	40,053,308	111.08

NEWGEN FOCUSED ALPHA FUND

Schedule of Investment Portfolio (Unaudited) (continued)

As at June 30, 2023

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
Canadian equities				
(44,600)	Aecon Group Inc.	\$ (548,255)	\$ (551,702)	(1.53)
(6,200)	Altus Group Ltd.	(274,736)	(272,366)	(0.76)
(9,800)	Aritzia Inc.	(359,357)	(360,444)	(1.00)
(27,200)	BlackBerry Ltd.	(191,897)	(199,648)	(0.55)
(15,900)	Boardwalk Real Estate Investment Trust	(922,779)	(988,821)	(2.74)
(3,300)	BRP Inc.	(342,613)	(369,567)	(1.02)
(211,667)	Brunswick Exploration Inc.	(180,954)	(165,100)	(0.46)
(9,800)	Cogeco Communications Inc.	(643,126)	(692,762)	(1.92)
(248,500)	Columbia Care Inc.	(145,944)	(149,100)	(0.41)
(19,900)	ERO Copper Corp.	(510,308)	(533,320)	(1.48)
(26,900)	Freehold Royalties Ltd.	(362,272)	(361,536)	(1.00)
(275,000)	i-80 Gold Corp.	(688,041)	(819,500)	(2.27)
(4,900)	Laurentian Bank of Canada	(154,136)	(161,994)	(0.45)
(7,400)	Loblaw Cos Ltd.	(910,913)	(897,472)	(2.49)
(7,700)	Maple Leaf Foods Inc.	(197,011)	(199,276)	(0.55)
(8,300)	Metro Inc.	(610,070)	(620,840)	(1.72)
(163,400)	NFI Group Inc.	(1,413,962)	(1,866,028)	(5.17)
(5,300)	Premium Brands Holdings Corp.	(533,781)	(554,009)	(1.54)
(46,100)	Superior Plus Corp.	(446,672)	(437,489)	(1.21)
(166,000)	The Lion Electric Co.	(417,291)	(406,700)	(1.13)
(30,800)	Well Health Technologies Corp.	(167,552)	(146,300)	(0.41)
		<u>(10,021,670)</u>	<u>(10,753,974)</u>	<u>(29.81)</u>
Canadian options				
(12,500)	AutoCanada Inc. Put \$17.50 18AUG23	(8,313)	(6,313)	(0.02)
(8,900)	Cogeco Communications Inc. Put \$60 21JUL23	(4,005)	(2,225)	(0.01)
(7,400)	Loblaw Cos Ltd. Put \$115 18AUG23	(5,476)	(5,550)	(0.02)
(8,300)	Metro Inc/CN Put \$68 21JUL23	(3,237)	(789)	0.00
(16,100)	Rogers Communications Inc. Call \$64 18AUG23	(3,864)	(6,601)	(0.02)
(16,100)	Rogers Communications Inc. Put \$54 18AUG23	(9,177)	(3,220)	(0.01)
(8,800)	Saputo Inc. Put \$28 21JUL23	(1,716)	(880)	0.00
		<u>(35,788)</u>	<u>(25,578)</u>	<u>(0.08)</u>
U.S. options				
(4,600)	Invesco QQQ Trust Series 1 Put \$330 18AUG23	(15,062)	(7,550)	(0.02)
(60,000)	iShares U.S. Real Estate ETF Put \$77 21JUL23	(18,165)	(4,765)	(0.01)
(10,400)	VIX 7 C25 Call \$25 19JUL23	(7,578)	(1,927)	(0.01)
(5,700)	VIX 7 C30 Call \$30 19JUL23	(5,593)	(755)	0.00
		<u>(46,398)</u>	<u>(14,997)</u>	<u>(0.04)</u>

NEWGEN FOCUSED ALPHA FUND

Schedule of Investment Portfolio (Unaudited) (continued) As at June 30, 2023

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
	Total investments sold short	\$ (10,103,856)	\$ (10,794,549)	(29.93)
	Commissions and other portfolio transaction costs	<u>(85,230)</u>	<u>—</u>	<u>—</u>
	Net investments owned	<u>\$ 28,241,983</u>	29,258,759	81.15
	Other assets, net		<u>6,800,986</u>	<u>18.85</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 36,059,745</u>	<u>100.00</u>

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements

For the six-months ended June 30, 2023 and 2022

NewGen Focused Alpha Fund (the "Fund") is an alternative mutual fund trust formed and organized under the laws of the Province of Ontario and is governed by a declaration of trust dated January 7, 2019 (the "Declaration of Trust") and amended and restated on January 28, 2021. The Fund inception date is January 29, 2021. The Fund commenced active operations on March 30, 2021. The address of the Fund's registered office is Commerce Court North, Suite 2900, 25 King Street West P.O. BOX 405, Toronto, Ontario, M5L 1G3.

NewGen Asset Management Limited, a corporation established under the laws of the Province of Ontario, is the trustee and portfolio manager of the Fund (the "Manager"). The Manager performs management functions for the Fund, including investment management of the Fund's portfolio. The prime broker and custodian for the Fund is CIBC World Markets Inc.

The Fund's principal investment objective is to provide investors with long-term capital gains. In order to achieve its investment objective, the Fund intends to invest in a concentrated portfolio of high-quality equities predominantly listed in Canada. The Fund may use leverage. The leverage will be created through the use of cash borrowings, short sales and derivative contracts. The aggregate gross exposure of the Fund shall not exceed the limits on the use of leverage permitted under applicable securities legislation.

The success of the Fund depends on the continued services of the Manager and will be influenced by a number of risk factors associated with investments in equities, options, and other instruments and the use of leverage, including derivative hedge risk, market liquidity, short sales, portfolio turnover, foreign currency exposure, foreign market exposure, and interest rate fluctuations.

1. Basis of presentation:

These interim financial statements have been prepared in compliance with International Financial Reporting Standards and International Accounting Standard 34, Interim Financial Reporting (together "IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Manager on August 15, 2023.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies:

The following is a summary of the Fund's significant accounting policies:

(a) Financial instruments:

Recognition and initial measurement:

The Fund initially recognizes transactions in financial assets and financial liabilities at fair value on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue.

(b) Classification:

Classification of financial assets is based on the business model for managing the portfolio of assets and the contractual cash flow characteristics of these financial assets. There are three principal classification categories for financial assets that are debt securities: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and FVTPL. Equity securities and derivatives are generally measured at FVTPL unless an election is taken to measure at FVOCI.

Financial assets which are held within a business model where the objective is achieved by holding to collect the contractual cash flows, rather than holding to sell, are measured at amortized cost or FVOCI depending on their contractual cash flow characteristics. The Fund therefore is required to assess the contractual terms of the cash flows to determine the appropriate classification and measurement of its financial assets. For those financial assets which give rise to cash flows that are solely payments of principal and interest, these financial assets are classified and measured at amortized cost. For those financial assets which give rise to cash flows that are other than solely payments of principal and interest, these financial assets are classified and measured at FVTPL.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

The Fund classifies its investments in equities, fixed income, options and warrants as financial assets 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 liabilities are classified and measured at amortized cost. The Fund's accounting policies for measuring the fair value of its investments and derivatives are consistent with those used in measuring its net asset value ("Trading NAV") for transactions with unitholders.

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.

(c) Fair value of financial instruments:

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).

(d) Valuation of investments:

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 in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

When available, the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active in transactions for the asset or liability that take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at the last sale or close price, where the close price falls within the day's bid-ask spread. In circumstances where the close price is not within the day's bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on specific facts and circumstances.

The fair value of financial assets and 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 statements 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 period, 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 Manager.

Derivative transactions:

The Fund may use derivative contracts to enhance returns of the Fund and to manage risks associated with the investments. The value of the contracts is marked to market on the Valuation Day (being the day the Toronto Stock Exchange ("TSX") is open) and the resultant gains and losses, both realized and unrealized, are recognized in the statements of comprehensive income (loss).

The premium received upon writing a call option is recorded as a deferred credit. Upon expiry of the option or when the option is exercised by its holder, the premium is recognized as a gain and is included in net realized gain (loss) on sale of investments, including foreign exchange adjustments, in the statements of comprehensive income (loss).

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

(e) Offsetting financial instruments:

Financial assets and 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 enters 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.

(f) Investment entity:

The Fund has determined that it is an investment entity as defined by IFRS 10, Consolidated Financial Statements ("IFRS 10") and the amendments to IFRS 10, as the following conditions exist:

- (i) The Fund has obtained funds from one or more investors for the purpose of providing those investors with investment management services;
- (ii) The Fund has committed to its investors that its business purpose is to invest funds solely for returns from capital appreciation and investment income; and
- (iii) The Fund measures and evaluates the performance of substantially all of its investments on a fair value basis.

As an investment entity, the Fund is exempted from consolidating particular subsidiaries and instead is required to measure its investments in these particular subsidiaries at FVTPL.

(g) Derecognition:

Other financial assets are derecognized when and 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.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

(h) Commissions and other portfolio transaction costs:

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Such costs are expensed and are included in commissions and other portfolio transaction costs in the statements of comprehensive income (loss).

(i) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding commissions and other portfolio transaction costs.

(j) Investment transactions and revenue recognition:

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

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in 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.

(k) Use of estimates:

The preparation of financial statements in accordance with IFRS requires management to use judgement in applying its accounting policies and to make estimates and assumptions about the future. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Note 6 – unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

(l) Income taxes:

The Fund is taxable under the Income Tax Act (Canada) (the "Tax Act") on all of its taxable income for the year (including net taxable capital gains), and is permitted a deduction in computing its income tax under the Tax Act for all amounts which are paid or payable in the year to unitholders. As all such amounts are always payable to the unitholders, no tax will be payable on such amounts for the year. Withholding taxes on foreign dividend income are deducted at source.

(m) Translation of foreign currencies:

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 on each Valuation Day. 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 gains and losses relating to cash and FVTPL assets and liabilities are presented in the statements of comprehensive income (loss) with net realized gain (loss) on sale of investments, including foreign exchange adjustments, and net change in unrealized depreciation in value of investments, including foreign exchange adjustments.

(n) 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 class of units by the total number of units of that particular class outstanding at the end of the period.

Expenses directly attributable to a class are charged directly to that class. Income, realized and unrealized gains and losses from investments and other expenses are allocated proportionately to each class based upon the relative net assets attributable to holders of redeemable units of each class.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

- (o) 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 class of units, divided by the weighted average number of units outstanding of that class during the period.

- (p) Redeemable units:

For each Fund unit sold, the Fund receives an amount equal to the net asset value per unit at the date of sale, which is included in net assets attributable to holders of redeemable units. Units are redeemable at the option of unitholders at their net asset value on the redemption date. For each unit redeemed, net assets attributable to holders of redeemable units are reduced by the net asset value of the unit at the date of redemption. The redeemable units are measured at the current value of the Fund's net assets and are considered a residual amount of the net assets attributable to holders of redeemable units. These units are classified as financial liabilities due to multiple classes, with non-identical features.

- (q) Other assets and liabilities:

Due from broker, interest and dividends receivable, subscriptions receivable, prepaid expenses and other receivables are classified as measured at amortized cost. Accounts payable and accrued liabilities, redemptions payable, management fees payable, performance fees payable, dividends payable on investments sold short, payable for investments purchased and other payables are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature and are carried at amortized cost which approximates fair value.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

2. Significant accounting policies (continued):

(r) Due to/from broker:

The Fund has a prime brokerage agreement with its broker to carry its accounts as a customer. The broker has custody of the Fund's securities and, from time to time, cash balances which may be due from/due to the broker.

Financial instruments and/or cash positions serve as collateral for any amounts due to broker or as collateral for any securities sold, not yet purchased or securities purchased on margin. The securities and/or cash positions also serve as collateral for potential defaults of the Fund.

The Fund is subject to credit risk if the broker is unable to repay balances due or deliver securities in their custody.

(s) Subscriptions receivable:

Subscriptions receivable relate to the issuance of the Fund units for which cash has not yet been received.

(t) Redemptions payable:

Redemptions payable consists of units redeemed during the period for which cash has not yet been paid.

3. Related party transactions:

(a) Management fees:

The Manager receives a management fee payable by the Fund for providing its services to the Fund. The management fee varies for each class of units. The management fee is calculated and accrued daily based on a percentage of the net asset value of the class of units of the Fund, plus applicable taxes, and is payable on the last day of each calendar month.

- Class C Founders units: 0.75% per annum
- Class F units: 1.00% per annum
- Class G units: 2.00% per annum

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

3. Related party transactions (continued):

- Class I units: Negotiated by the investor and paid directly by the investor. The management fee rate would not exceed the management fee payable on Class G units of the Fund.

(b) Performance fees:

The Manager receives a performance fee in respect of each class of units of the Fund. The Fund will pay the Manager a performance fee each calendar quarter (a "Performance Fee Determination Period") equal to 15% of the Net Profit (as defined below) of each applicable class of units subject to the High Watermark (as defined below). The performance fee will be calculated and accrued for each class on a daily basis during each Performance Fee Determination Period and, with respect to an intra-quarter redemption of units of a class, on the relevant redemption date.

Net Profit means, in respect of any class of units of the Fund for any Valuation Day, the positive amount (if any) calculated by deducting the NAV per unit of the class for that Valuation Day from the highest NAV per unit in respect of which a performance fee liability has previously arisen (the "High Watermark") (or the initial offering price of the units if no performance fee liability has previously arisen in respect of such class of units). The performance fee will be determined by multiplying the amount of Net Profit by the total number of the units of such class outstanding at the close of business on such Valuation Day.

No performance fee shall be paid in respect of a class unless the class NAV per unit exceeds the High Watermark and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark.

Investors in Class I units may negotiate a performance fee to be paid by the investor that is different than the one described above or no performance fee at all.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

3. Related party transactions (continued):

(c) Related party shareholding:

The Manager and its officers invest in Class I units of the Fund from time to time in the normal course of business. All transactions with the Manager are measured at the exchange amounts. As at June 30, 2023, 172,538 (December 31, 2022 – 172,538) Class I units were owned by the Manager and its officers, which represents \$2,056,049 (December 31, 2022 - \$1,926,973) in net assets attributable to holders of redeemable units.

4. Redeemable units of the Fund:

The Fund is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of classes, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Fund. Each unit of each class entitles the holder to vote, with one vote for each \$1 of net assets attributed to such unit and to participate equally with respect to any and all distributions made by the Fund. Units of a class may be consolidated and/or redesignated by the Manager.

The Fund has created Class C Founders, Class F, Class G, and Class I units. Class C Founders units are available for purchase only until such time as the class reaches a net asset value of \$50,000,000 (the "Founders Investment Period"). Class C Founders units will be available during the Founders Investment Period to investors who are enrolled in a dealer-sponsored fee arrangement and who are subject to an annual asset-based fee rather than commission on each transactions or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class F units are available to investors who are enrolled in a dealer-sponsored fee arrangement and who are subject to an annual asset-based fee rather than commissions on each transaction or, at the discretion of the Manager, any other investor for whom the Manager does not incur distribution costs. Class G units are available to all investors. Class I units are available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager. Class I units are generally only available for certain individual investors who make large investments in the Fund. The net asset value of the Fund is calculated in Canadian dollars and the Class C Founders, Class F, Class G, and Class I units are denominated in Canadian dollars.

The Manager may from time to time, at its discretion, determine the terms upon which units of a Fund will be offered for sale to the public, including the currency at which the subscription price will be paid, and the nature and amount of any fees or charges to be paid by investors in that Fund, whether at the time of purchase or on such other basis as the Manager shall determine.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

4. Redeemable units of the Fund (continued):

The unit activity during the periods ended June 30, 2023 and 2022, is as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redemptions of Redeemable Units	Redeemable Units, end of period
2023				
Class C	1,915,667	1,499,249	(647,392)	2,767,524
Class F	25,693	3,304	(14,318)	14,679
Class G	64,094	565	(4,620)	60,039
Class I	227,622	4,222	(4,775)	227,069
2022				
Class C	1,494,906	1,500,371	(229,434)	2,765,843
Class F	46,693	3,657	(10,845)	39,505
Class G	52,515	37,633	(7,796)	82,352
Class I	221,079	23,797	(17,254)	227,622

(a) Distributions:

The Fund has a policy to make distributions monthly at a rate determined from time to time by the Manager. These distributions are not guaranteed and may change at any time at our discretion. The Fund will also distribute, in respect of each taxation year, any net income and net realized capital gains in excess of the monthly distributions at the end of each taxation year (normally December 31), or at such other times as may be determined by the Manager.

If the monthly distributions exceed the Fund's net income and net realized capital gains for the year, a portion of the Fund's distributions to unitholders may represent return of capital.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

4. Redeemable units of the Fund (continued):

(b) Capital risk management:

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 Value per unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of units. The relevant movements are shown on the statements of changes in net assets attributable to holders of redeemable units. In accordance with its investment objective and strategy, and the risk management practices, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of investments where necessary.

5. Financial risk management:

(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, leverage risk and market risk (including interest rate risk, other price risk and currency risk). The value of investments within the Fund's portfolio can fluctuate on a daily 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.

(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. Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, generally represents the maximum credit risk exposure of the Fund.

The Fund has provided the prime brokers with a general lien over financial assets held in custody as security for the prime broker exposures relating to provision of custody services to the Fund. The Fund's cash is held with CIBC World Markets Inc. and Scotiabank which are rated A+ by S&P Global Rating.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

5. Financial risk management (continued):

(b) Credit risk:

The following table is a summary of the Fund's debt instruments by credit rating, excluding cash, as at June 30, 2023 and December 31, 2022.

Debt instruments by credit rating	Percentage of Net Asset Value	
	June 30, 2023	December 31, 2022
AAA	0.04	—
B	—	1.28
BBB+	—	0.49
AA+	—	(0.38)

(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 periodic cash redemptions of units. The Fund primarily, directly or indirectly, invests in securities that are traded in active markets and can be readily disposed of. In addition, the Fund generally retains sufficient cash and cash equivalent positions to maintain liquidity.

The Fund may employ the use of derivatives to moderate certain risk exposures. There is no guarantee that a market will exist for some derivatives and it is possible that the exchanges may impose limits on trading of derivatives.

All financial liabilities are due between one and three months except for net assets attributable to redeemable units.

(d) Leverage risk:

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

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

5. Financial risk management (continued):

(d) Leverage risk (continued):

The aggregate gross exposure of the Fund, to be calculated as the sum of the following, must not exceed three times the Fund's net asset value: (i) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Fund's specified derivatives positions excluding any specified derivatives used for hedging purposes.

During the period ended June 30, 2023, the Fund's lowest and highest aggregate gross exposure was 104.5% (December 31, 2022 – 62.5%) and 176.3% (December 31, 2022 – 154.6%) of the Fund's NAV, respectively. The primary source of leverage was short positions in equity securities. The low and high end of the range are as a result of the Fund's investing activities, and timing of subscriptions and/or redemptions. The Fund's strategy is outlined in the Simplified Prospectus.

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

(e) Market risk:

(i) 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 is 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 cash and cash equivalents invested at short-term market interest rates.

As the Fund actively manages and hedges interest rate exposure, net assets tend to be affected more by changes in credit spreads rather than changes in interest rates. As at June 30, 2023, the Fund's exposure to debt instruments by maturity and the impact on net assets had the yield curve shifted higher in parallel by 25 basis points, with all other variables held constant ("sensitivity"), are as follows:

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

5. Financial risk management (continued):

(e) Market risk (continued):

(i) Interest rate risk (continued):

Debt instruments* by maturity date	June 30, 2023	December 31, 2022
Less than 1 year	\$ -	\$ -
1 - 3 years	-	-
3 - 5 years	-	319,657
Greater than 5 years	12,715	27,311
Net exposure	\$ 12,715	\$ 346,968
Effect in % Net assets attributable to holders of redeemable units	0.04	1.39

*Excludes due from broker

In practice, actual trading results may differ from the above sensitivity analysis and the difference could be material.

(ii) 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. Except for written options and securities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from written options and securities sold short could 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.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

5. Financial risk management (continued):

(ii) Other price risk (continued):

As at June 30, 2023, 110.3% (December 31, 2022 – 90.3%) of the Fund's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges, while 29.9% (December 31, 2022 – 24.6%) of the Fund's net assets attributable to holders of redeemable units were sold short against securities on North American stock exchanges. If security prices on the North American stock exchanges had increased or decreased by 10% as at the period end, with all other factors remaining constant, net assets attributable to holders of redeemable units could possibly have increased or decreased by approximately \$2,899,604 or 8.0% (December 31, 2022 - \$1,634,612 or 6.6%) of net assets attributable to holders of redeemable units, respectively. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) 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 Canadian dollars, which represents the functional currency of the Fund.

Currencies to which the Fund had exposure as at June 30, 2023 and December 31, 2022, are as follows:

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2023						
U.S. Dollar	\$ (20,990)	\$ 36,976	\$ 15,986	\$ (1,050)	\$ 1,849	\$ 799
	\$ (20,990)	\$ 36,976	\$ 15,986	\$ (1,050)	\$ 1,849	\$ 799
% of Net Assets Attributable to Holders of Redeemable Units						
	(0.06)	0.10	0.04	(0.00)	0.00	0.00

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

5. Financial risk management (continued):

(iii) Currency risk (continued):

Currency	Exposure			Impact if CAD strengthened or weakened by 5% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2022						
U.S. Dollar	\$ (67,690)	\$ (53,300)	\$ (120,990)	\$ (3,385)	\$ (2,665)	\$ (6,050)
	\$ (67,690)	\$ (53,300)	\$ (120,990)	\$ (3,385)	\$ (2,665)	\$ (6,050)
% of Net Assets						
Attributable to Holders						
of Redeemable Units	(0.27)	(0.21)	(0.48)	(0.01)	(0.01)	(0.02)

6. Classification of financial instruments - fair value measurements:

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Assets				
Common stocks	\$ 35,336,590	\$ 3,051,600	\$ 250,000	\$ 38,638,190
Fixed Income	–	12,715	–	12,715
Options	72,102	–	–	72,102
Warrants	–	1,330,301	–	1,330,301
	\$ 35,408,692	\$ 4,394,616	\$ 250,000	\$ 40,053,308
Liabilities				
Common stocks	\$ 10,753,974	–	–	\$ 10,753,974
Options	40,575	–	–	40,575
	\$ 10,794,549	–	–	\$ 10,794,549

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

6. Classification of financial instruments - fair value measurements (continued):

The changes in investments measured at fair value using significant Level 3 inputs are reflected below:

	Total
Beginning Balance, January 01, 2023	\$ 953,496
Purchases	250,000
Sales	(950,600)
Realized gains included in net income	450,000
Change in unrealized depreciation included in net income	(452,896)
Ending Balance, June 30, 2023	\$ 250,000

During the period ended June 30, 2023, there were no transfer of levels between securities.

The following table summarizes the levels within the fair value hierarchy in which the fair value measurements of the Fund's investments fall as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets				
Common stocks	\$ 19,051,455	\$ 1,164,125	\$ 953,496	\$ 21,169,076
Fixed income	-	1,226,962	-	1,226,962
Options	5,350	-	-	5,350
Warrants	741,510	1,514,098	-	2,255,608
	\$ 19,798,315	\$ 3,905,185	\$ 953,496	\$ 24,656,996
Liabilities				
Common stocks	\$ 6,060,432	-	-	\$ 6,060,432
Fixed income	-	879,994	-	879,994
Options	69,991	-	-	69,991
	\$ 6,130,423	\$ 879,994	-	\$ 7,010,417

The changes in investments measured at fair value using significant Level 3 inputs are reflected below:

	Total
Beginning Balance, January 01, 2022	\$ -
Purchases	500,600
Change in unrealized appreciation included in net income	452,896
Ending Balance, December 31, 2022	\$ 953,496

During the year ended December 31, 2022, the level for warrant Cabral Gold Inc. \$0.80 changed from level 2 to level 1 because it is now publicly traded. As at December 31, 2022, the fair value of the warrant was \$510.

Unrealized gain (loss) recognized for Level 3 investments are reported in net change in unrealized depreciation in value of investments, including foreign exchange adjustments in the statements of comprehensive income (loss).

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

6. Classification of financial instruments - fair value measurements (continued):

Significant unobservable inputs in measuring fair value:

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy:

Description	Valuation technique	Unobservable input	Sensitivity to changes in significant unobservable inputs	Fair value at June 30, 2023	Fair value at December 31, 2022
Unlisted private securities	Recent Transaction Prices	Transaction price	A 10% decrease in the price of the underlying security would cause a \$25,000 decrease in the fair market value.	\$ 250,000	\$ 953,496
				\$ 250,000	\$ 953,496

7. Derivative financial instruments:

The Fund holds the following derivative instruments:

Warrants:

A warrant is a contractual arrangement under which the issuer grants the holder the right, but not the obligation, either to buy at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price directly from the issuer of the underlying securities. The Fund is exposed to price risk on purchased warrants only to the extent of their carrying amount, which is their fair value.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

7. Derivative financial instruments (continued):

Warrants (continued):

The following table details the Fund's investments in warrants as at June 30, 2023:

Description	Maturity Date	Strike price	Notional Amount	Fair value
Appia Rare Earths & Uranium Corp.	17-Nov-23	\$ 1.10	\$ 72,804	1
Ascot Resources Ltd	08-Mar-24	1.25	14,708	46
Cabral Gold Inc.	06-Jul-23	0.80	81,600	–
Decisive Dividend Corp.	13-Apr-25	7.09	354,500	79,545
GR Silver Mining Ltd.	29-Mar-25	0.37	185,000	4,228
Marathon Gold Corp.	20-Sep-24	1.35	202,500	14,781
Osisko Development Corp.	02-Mar-26	8.55	1,026,000	86,966
Outcrop Silver & Gold Corp.	09-Mar-24	0.37	222,000	14,463
Saturn Oil & Gas Inc.	10-Mar-25	4.00	1,564,000	99,705
Trillion Energy International Inc.	24-Mar-24	0.45	477,270	60,147
Trillion Energy International Inc.	29-Jun-25	0.50	275,000	88,000
AbraSilver Resource Corp.	06-Dec-24	0.50	340,500	25,657
Baselode Energy Corp.	19-Dec-24	0.80	61,600	6,561
Brunswick Exploration Inc.	22-Dec-25	0.75	468,750	232,099
Brunswick Exploration Inc.	09-Mar-26	1.25	264,583	59,357
Brunswick Exploration Inc.	09-Mar-26	1.25	132,291	29,678
EMP Metals Corp.	16-Sep-24	0.90	112,500	8,650
Encore Energy Corp.	14-Feb-26	3.75	937,500	243,064
Frontier Lithium Inc.	10-Nov-25	2.75	226,875	29,771
Full Circle Lithium Inc.	25-Apr-25	1.10	196,900	12,196
Graphene Manufacturing Group Ltd	30-Nov-26	3.35	167,500	47,103
i-80 Gold Corp.	31-Mar-24	3.45	474,375	35,014
LithiumBank Resources Corp.	15-May-26	2.00	450,000	153,164
Oroco Resource Corp.	21-Mar-24	2.40	480,000	105
Tincrop Metals Inc.	14-May-26	2.00	300,000	–

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

7. Derivative financial instruments (continued):

Warrants (continued):

The following table details the Fund's investments in warrants as at December 31, 2022:

Description	Maturity Date	Strike price	Notional Amount	Fair value
AbraSilver Resource Corp.	06-Dec-24	\$ 0.50	\$ 340,500	\$ 88,664
Ascot Resources Ltd	08-Mar-24	1.25	14,708	876
Appia Rare Earths & Uranium Corp.	17-Nov-23	1.10	72,804	1,738
Baselode Energy Corp.	19-Dec-24	0.80	61,600	8,724
Brunswick Exploration Inc.	22-Dec-25	0.75	468,750	145,035
Cabral Gold Inc.	06-Jul-23	0.80	81,600	510
Cielo Waste Solutions Corp.	08-Jul-27	0.09	1,029,366	343,122
Frontier Lithium Inc.	10-Nov-25	2.75	226,875	81,707
Graphene Manufacturing Group Ltd	30-Nov-26	3.35	167,500	49,858
GR Silver Mining Ltd	27-Apr-23	0.74	55,500	-
GR Silver Mining Ltd	29-Mar-25	0.37	185,000	10,988
Marathon Gold Corp.	20-Sep-24	1.35	202,500	60,573
Microbix Biosystems Inc.	19-May-23	0.80	72,000	8
Oroco Resource Corp.	21-Mar-24	2.40	480,000	9,177
Outcrop Silver & Gold Corp.	09-Mar-24	0.37	222,000	65,104
Rock Tech Lithium Inc.	19-Aug-25	4.50	281,250	15,000
ROK Resources Inc.	04-Mar-25	0.25	712,500	741,000
Saturn Oil & Gas Inc.	10-Mar-25	4.00	1,656,000	207,000
Southern Silver Exploration Corp.	16-Jun-23	0.75	187,500	285
Trillion Energy International Inc.	24-Mar-24	0.45	477,270	240,242
Trillion Energy International Inc.	29-Jun-25	0.50	352,500	169,200
Whitehorse Gold Corp.	17-May-26	2.00	300,000	16,797

Swaps:

A swap is a commitment to exchange one set of payments for another set of payments. Swaps are settled by each party delivering its respective set of payments to the other or by settling a cash payment representing the value of the contract.

The Fund did not hold any investments in swaps as at June 30, 2023 and December 31, 2022.

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

7. Derivative financial instruments (continued):

Options:

An option is the right to buy (a call option) or to sell (a put option) a specified amount or value of a particular underlying interest (e.g. equity securities, stock indices, government debt securities, commodity or foreign currencies) at a fixed exercise price by exercising the option before its expiration date. The option may also be settled in cash, based on the difference between the exercise settlement value and the fixed exercise price.

The following table summarizes the Fund's investments in options as at June 30, 2023:

Description	Maturity Date	Strike price	Notional Amount	Fair value
Rogers Communications Inc. Call	18-Aug-23	\$ 60.00	\$ 966,000	\$ 32,844
Invesco QQQ Trust Series 1 Put	18-Aug-23	350.00	1,610,000	19,789
iShares U.S. Real Estate ETF Put	21-Jul-23	81.00	4,860,000	13,502
VIX 7 C20 Call	19-Jul-23	20.00	322,000	5,967
AutoCanada Inc. Put	18-Aug-23	17.50	(218,750)	(6,313)
Cogeco Communications Inc. Put	21-Jul-23	60.00	(534,000)	(2,225)
Loblaw Cos Ltd. Put	18-Aug-23	115.00	(851,000)	(5,550)
Metro Inc/CN Put	21-Jul-23	68.00	(564,400)	(789)
Rogers Communications Inc. Call	18-Aug-23	64.00	(1,030,400)	(6,601)
Rogers Communications Inc. Put	18-Aug-23	54.00	(869,400)	(3,220)
Saputo Inc. Put	21-Jul-23	28.00	(246,400)	(880)
Invesco QQQ Trust Series 1 Put	18-Aug-23	330.00	(1,518,000)	(7,550)
iShares U.S. Real Estate ETF Put	21-Jul-23	77.00	(4,620,000)	(4,765)
VIX 7 C25 Call	19-Jul-23	25.00	(260,000)	(1,927)
VIX 7 C30 Call	19-Jul-23	30.00	(171,000)	(755)

The following table summarizes the Fund's investments in options as at December 31, 2022:

Description	Maturity Date	Strike price	Notional Amount	Fair value
Canadian Imperial Bank of Commerce	20-Jan-23	\$ 63.00	\$ 579,600	\$ 460
iShares S&P/TSX 60 Index ETF Call	20-Jan-23	30.50	1,491,450	4,890
BRP Inc.	20-Jan-23	94.00	(347,800)	(3,145)
Canadian Imperial Bank of Commerce	20-Jan-23	58.00	(533,600)	(29,900)
Dollarama Inc.	20-Jan-23	85.00	(493,000)	(1,856)
Rogers Communications Inc.	17-Feb-23	70.00	(623,000)	(4,450)
Shaw Communications Inc. Call	17-Jan-25	40.00	(1,532,000)	(30,640)

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

8. Expenses:

The Manager has the power to incur and make payment out of the Fund's property any charges or expenses which, in the opinion of the Manager, are necessary or incidental to, or proper for, carrying out any of the purposes of the Trust Agreement, including without limitation all fees and expenses relating to the management and administration of the Fund.

The Fund pays its own brokerage commissions for portfolio transactions, fees associated with securities lending transactions and related transaction fees, and operating expenses other than advertising costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, brokerage commissions and fees (if applicable), taxes, audit and legal fees, fees of the members of the independent review committee ("IRC"), costs and fees in connection with the operation of the IRC (including the costs of holding meetings, and fees and expenses of any advisers engaged by the IRC), safekeeping and custodial fees, interest expenses, operating, administrative and systems costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts. Operating expenses and other costs of the Fund are subject to applicable taxes including HST.

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

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the period ended June 30, 2023 and 2022 is calculated as follows:

	Increase (decrease) in net assets attributable to holders of redeemable units per Class	Weighted average of redeemable units outstanding during the period	Increase (decrease) in net assets attributable to holders of redeemable units per unit
June 30, 2023			
Class C	\$ 1,179,911	2,175,875	\$ 0.54
Class F	12,577	17,405	0.72
Class G	32,801	62,321	0.53
Class I	172,200	226,724	0.76
June 30, 2022			
Class C	\$ (3,279,558)	2,577,810	\$ (1.27)
Class F	(55,594)	39,794	(1.40)
Class G	(106,609)	74,161	(1.44)
Class I	(289,889)	216,523	(1.34)

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

10. Income tax:

The Fund qualifies as a mutual fund trust under the provisions of the Tax Act and, accordingly, is not subject to tax on its net taxable income for the tax year ending in December, including net realized capital gains, that is paid or payable to its unitholders as at the end of the tax year. However, such part of the Fund's net income and net realized capital gains that is not so paid or payable, is subject to income tax. Income tax on net realized capital gains not paid or payable is generally recoverable by virtue of refunding provisions contained in tax legislation, as redemptions occur. 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 is subject to withholding taxes on foreign income. In general, the Fund treats withholding tax as a charge against income for tax purposes.

As at December 31, 2022, the Fund had net capital loss carryforwards of \$637,169 (2021 – nil) and non-capital loss carryforwards of \$458,956 (2021 – nil).

11. Brokerage commissions and soft dollars:

Commissions paid to brokers in connection with portfolio transactions are disclosed in the Fund's statements of comprehensive income (loss). Brokerage business is allocated in good faith based on which broker can deliver to the Fund the best results in relation to order execution and research services utilized. Subject to these criteria, the Manager may allocate business to brokers that provide or pay for, in addition to transaction execution, investment research, statistical or other similar services. The ascertainable "soft dollar" value received as a percentage of total commissions and other portfolio transaction costs paid during the period ended June 30, 2023 and 2022, is disclosed below.

	June 30, 2023	June 30, 2022
Soft dollar relationships	7	4
Percentage of total commissions and other portfolio transaction costs	2.62%	2.59%

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

12. Involvement with unconsolidated structured entities:

The Fund has determined that all of the other funds ("Investee Funds") in which it invests are unconsolidated structured entities. This represents a significant judgment by the Fund and generally because decision making about the Investee Funds' investing activities is not governed by voting rights held by the Fund and other investors.

The Investee Funds finance their operations by issuing shares that entitle the holders to proportional stakes in the respective funds' net assets. The Fund holds redeemable shares in each of its Investee Funds. During the period ended June 30, 2023 and the year ended December 31, 2022, the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The change in fair value of each Investee Fund is included in the statements of comprehensive income (loss) in net change in unrealized depreciation in value of investments, including foreign exchange adjustments.

The table below describes the types of structured entity that the Fund does not consolidate but in which it holds an interest as at June 30, 2023 and December 31, 2022:

Type	Number of Investee Funds	Net asset value of Investee Funds	Investment fair value	% of net assets attributable to holders of redeemable units
Real estate investment trusts	3	\$ 5,473,877	\$ 1,371,179	3.80%

Type	Number of Investee Funds	Net asset value of Investee Funds	Investment fair value	% of net assets attributable to holders of redeemable units
Real estate investment trusts	2	\$ 4,706,697	\$ 1,342,671	5.40%

NEWGEN FOCUSED ALPHA FUND

Notes to Financial Statements (continued)

For the six-months ended June 30, 2023 and 2022

12. Involvement with unconsolidated structured entities (continued):

Investee Funds included the following:

June 30, 2023	Currency per financial statement	Foreign exchange (DIA FX rate)	Total NAV per financial statement	Total NAV in Canadian dollars
European Residential REIT	Euro	1.445400 \$	442,744 \$	639,942
Minto Apartment Real Estate Investment Trust	Canadian dollar	1.000000	1,136,529	1,136,529
Boardwalk Real Estate Investment Trust	Canadian dollar	1.000000	3,894,604	3,894,604

December 31, 2022	Currency per financial statement	Foreign exchange (DIA FX rate)	Total NAV per financial statement	Total NAV in Canadian dollars
European Residential REIT	Euro	1.449280 \$	550,147 \$	797,317
Summit Industrial Income REIT	Canadian dollar	1.000000	4,156,550	4,156,550

The Fund may invest in or hold a short position of shares of Investee Funds as part of its investment strategies. The nature and purpose of these Investee Funds, generally, is because decision making about the Investee Funds' investing activities is not governed by voting rights held by the Fund and other investors, and they are financed through the issue of shares to stakeholders. The maximum exposure to loss from interests in short positions can be unlimited.

The fair value of these Investee Funds, if any, are disclosed in investments in the statements of financial position and listed in the schedule of investments.