

Financial Statements of

**NEWGEN CREDIT
STRATEGIES FUND**

For the six-months ended June 30, 2026 and 2025

(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 interim 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and include certain amounts that are based on estimates and judgements made by the Manager. The material accounting policy information 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 17, 2026

Date

NOTICE TO UNITHOLDERS

The Auditors of the Fund have not reviewed these interim 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 CREDIT STRATEGIES FUND

Statements of Financial Position (Unaudited) As at June 30, 2026 and December 31, 2025

	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash (note 4)	\$ 27,012,200	\$ 4,504,930
Investments owned, at fair value through profit or loss (note 7)	268,634,006	238,445,152
Interest and dividends receivable	3,157,318	2,489,665
Other receivables	92,753	259,464
Prepaid expenses	19,352	22,312
Subscriptions receivable	445,159	757,750
Unrealized appreciation of derivatives (note 2, 7)	144,552	2,301,063
Receivable for investments sold	52,081	—
	<u>299,557,421</u>	<u>248,780,336</u>
LIABILITIES		
Current liabilities		
Investments sold short, at fair value through profit or loss (note 7)	23,064,778	29,233,027
Unrealized depreciation of derivatives (note 2, 7)	4,385,583	97,358
Performance fees payable (note 3)	346,147	295,002
Interest and dividends payable on investments sold short	66,172	143,778
Accounts payable and accrued liabilities	106,604	99,096
Other payables	68,415	52,435
Management fees payable (note 3)	205,351	126,859
Redemptions payable	467,168	22,311
Payable for investments purchased	815,610	—
	<u>29,525,828</u>	<u>30,069,866</u>
Net assets attributable to holders of redeemable units	<u>\$ 270,031,593</u>	<u>\$ 218,710,470</u>
Net assets attributable to holders of redeemable units per Class		
Class C	\$ 118,326,372	\$ 96,367,561
Class F	134,236,332	104,952,023
Class F USD	4,664,956	4,902,359
Class G	9,837,869	9,730,420
Class G USD	1,186,479	1,107,489
Class I	1,779,585	1,650,618
	<u>\$ 270,031,593</u>	<u>\$ 218,710,470</u>
Number of redeemable units outstanding (note 5)		
Class C	10,246,730	8,355,721
Class F	11,161,591	8,735,734
Class F USD	269,406	295,613
Class G	860,727	847,474
Class G USD	72,610	70,329
Class I	156,801	146,825

NEWGEN CREDIT STRATEGIES FUND

Statements of Financial Position (Unaudited) (continued) As at June 30, 2026 and December 31, 2025

		June 30, 2026		December 31, 2025
Net assets attributable to holders of redeemable units per unit				
Class C	\$	11.55	\$	11.53
Class F		12.03		12.01
Class F USD		17.32		16.58
Class G		11.43		11.48
Class G USD		16.34		15.75
Class I		11.35		11.24
Class F US (in US Dollars)		12.19		12.09
Class G US (in US Dollars)		11.50		11.48

See accompanying notes to financial statements.

Approved on behalf of the Fund:

"David Dattels"

Manager
NewGen Asset Management Limited

NEWGEN CREDIT STRATEGIES FUND

Statements of Comprehensive Income (Unaudited)

For the six-months ended June 30, 2026 and 2025

	2026	2025
Income		
Dividends	\$ 1,897,557	\$ 834,335
Interest income for distribution purposes	6,787,898	5,150,640
Net realized gain on sale of investments, including foreign exchange adjustments	11,785,225	2,593,250
Net realized (loss) gain on derivatives	(1,367,403)	2,467,985
Net change in unrealized depreciation in value of investments, including foreign exchange adju	(4,225,332)	(6,032,393)
Net change in unrealized (depreciation) appreciation on derivatives	(6,444,735)	1,622,098
Other operating income	22,159	41,849
	<u>8,455,369</u>	<u>6,677,764</u>
Expenses		
Management fees (note 3)	1,223,744	764,500
Performance fees (note 3)	968,852	907,862
Interest and borrowing fees	549,523	431,924
Dividends paid on investments sold short	232,786	30,689
Operating costs	148,075	124,487
Commissions and other portfolio transaction costs	133,888	76,023
Audit fees	46,787	39,974
Withholding tax	50,433	10,595
Legal fees	18,697	50,013
Custodian fees	15,679	1,783
	<u>3,388,464</u>	<u>2,437,850</u>
Increase in net assets attributable to holders of redeemable units	<u>\$ 5,066,905</u>	<u>\$ 4,239,914</u>

NEWGEN CREDIT STRATEGIES FUND

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (Unaudited) For the six-months ended June 30, 2026 and 2025

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued*	Redemption of redeemable units*	Distributions to holders of redeemable units	Reinvestment of distributions	Increase in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
2026	\$ 218,710,470	\$ 89,545,632	\$ (40,969,096)	\$ (4,836,681)	\$ 2,514,363	\$ 5,066,905	\$ 270,031,593

* Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2026 were \$274,951 and \$(274,951), respectively.

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued**	Redemption of redeemable units**	Distributions to holders of redeemable units	Reinvestment of distributions	Increase (decrease) in net assets attributable to holders of redeemable units	Net assets attributable to holders of redeemable units, end of period
2025	\$ 100,408,186	\$ 95,796,599	\$ (14,472,898)	\$ (3,057,297)	\$ 1,687,977	\$ 4,239,914	\$ 184,602,481

** Total proceeds from redeemable units relating to switch-ins and redemptions of redeemable units relating to switch-outs for the period ended June 30, 2025 were \$985,348 and \$(985,348), respectively.

NEWGEN CREDIT STRATEGIES FUND

Statements of Cash Flows (Unaudited)

For the six-months ended June 30, 2026 and 2025

	2026	2025
Cash provided by (used in):		
Operating Activities		
Increase in net assets attributable to holders of redeemable units	\$ 5,066,905	\$ 4,239,914
Adjustments for non-cash items		
Net realized gain on sale of investments, including foreign exchange adjustments	(11,785,225)	(2,593,250)
Net change in unrealized depreciation in value of investments, including foreign exchange adjust	4,225,332	6,032,393
Net change in unrealized depreciation (appreciation) on derivatives	6,444,735	(1,622,098)
Change in non-cash balances		
Increase in interest and dividends receivable	(667,653)	(1,375,304)
Decrease (increase) in other receivables	166,711	(26,181)
Decrease in prepaid expenses	2,960	4,905
Increase in receivable for investments sold	(52,081)	(5,307,156)
Increase in performance fees payable	51,145	79,589
Decrease in interest and dividends payable on investments sold short	(77,606)	(11,382)
Increase in accounts payable and accrued liabilities	7,508	16,422
Increase in other payables	15,980	9,552
Increase in management fees payable	78,492	89,104
Increase (decrease) in payable for investments purchased	815,610	5,530,649
Proceeds from sale of investments	610,664,545	397,724,021
Purchase of investments	(639,396,679)	(475,528,711)
Cash used in operating activities	<u>(24,439,321)</u>	<u>(72,737,533)</u>
Financing Activities		
Proceeds from redeemable units issued	89,583,272	93,644,826
Amount paid on redemption of redeemable units	(40,249,288)	(13,453,337)
Distributions to holders of redeemable units, net of reinvestments	<u>(2,322,318)</u>	<u>(1,369,320)</u>
Cash provided by financing activities	<u>47,011,666</u>	<u>78,822,169</u>
Increase in cash during the period	22,572,345	6,084,636
Foreign exchange loss on cash	(65,075)	(198,441)
Cash, beginning of period	<u>4,504,930</u>	<u>6,050,143</u>
Cash (note 4), end of period	\$ <u>27,012,200</u>	\$ <u>11,936,338</u>
Supplemental information*		
Interest paid	\$ 390,753	\$ 326,779
Interest received	6,204,666	3,965,475
Dividends paid	259,958	26,750
Dividends received, net of withholding taxes	1,784,863	633,601

*Included as a part of cash flows from operating activities

NEWGEN CREDIT STRATEGIES FUND

Schedule of Investment Portfolio As at June 30, 2026 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
Canadian equities				
93,100	Brookfield Office Properties Inc. Preferred Shares 6.12%	\$ 2,355,998	\$ 2,327,500	0.86
904,500	Canso Credit Income Fund	14,720,759	14,743,350	5.46
15,000	Groupe Dynamite Inc.	716,169	803,100	0.30
708,758	Pimco Monthly Enhanced Income Fund	6,689,248	6,279,596	2.33
448,200	Premium Income Corp. Preferred Shares 5.75%	6,957,912	7,305,660	2.71
2,000	The Bitcoin Fund	201,438	149,100	0.06
189,500	The Ether Fund	14,308,529	7,746,760	2.87
14,700	Thomson Reuters Corp. Preferred Shares 0%	215,208	214,620	0.08
		<u>46,165,261</u>	<u>39,569,686</u>	<u>14.67</u>
Canadian fixed income				
6,625,000	Amazon.com Inc. 5% 12/06/2056	6,680,194	6,698,736	2.48
173,000	Chemtrade Logistics Income Fund 7% 30/06/2028	177,955	187,215	0.07
7,850,000	Cineplex Inc. 7.75% 01/03/2030	9,615,514	10,311,996	3.82
4,224,000	DIRTT Environmental Solutions 6.25% 31/12/2026	3,800,390	4,206,682	1.56
7,000,000	Dye & Durham Ltd. 6.50% 01/11/2028	6,490,124	4,506,110	1.67
5,250,000	Intact Financial Corp. 5.642% 31/03/2086	5,255,625	5,224,328	1.93
4,000,000	North American Construction Group Ltd. 7.75% 01/05/2030	4,104,821	4,117,240	1.52
6,000,000	Obsidian Energy Ltd. 8.125% 03/12/2030	6,004,179	6,156,780	2.28
7,000,000	The Empire Life Insurance Co. 6%	7,014,000	7,068,250	2.62
		<u>49,142,802</u>	<u>48,477,337</u>	<u>17.95</u>
U.S. equities				
637,325	Apollo Commercial Real Estate Finance Inc.	9,457,164	9,668,818	3.58
45,000	Apollo Investment Corp.	704,149	644,339	0.24
8,667	Babcock & Wilcox Enterprises Inc. Preferred Shares 6.50%	302,130	307,664	0.11
71,804	Brookfield Property Partners LP Preferred Shares 5.75%	1,355,511	1,324,949	0.49
84,752	Brookfield Property Partners LP Preferred Shares 6.375%	1,730,641	1,740,843	0.64
37,358	Brookfield Property Partners LP Preferred Shares 6.50%	782,776	804,496	0.30
1,041,833	Elme Communities	3,003,472	2,190,287	0.81
40,000	Golub Capital BDC Inc.	683,337	731,842	0.27
34,300	Morgan Stanley Direct Lending Fund	702,361	736,694	0.27
73,819	Oaktree Specialty Lending Corp.	1,207,348	1,252,027	0.46
154,539	Palmer Square Capital BDC Inc.	2,243,137	2,287,426	0.85
108,983	Solar Capital Ltd.	2,026,211	1,915,004	0.71
1,000	The Bitcoin Fund	100,349	74,818	0.03
13,818	Victoria Gold Corp/Vancouver	575	589	0.00
		<u>24,299,161</u>	<u>23,679,796</u>	<u>8.76</u>
U.S. fixed income				
1,000,000	Altice France SA 6.50% 15/10/2031	1,349,715	1,379,888	0.51
1,000,000	Altice France SA 6.875% 15/07/2032	1,353,132	1,380,300	0.51
1,000,000	Altice France SA 6.875% 15/10/2030	1,356,549	1,383,240	0.51
1,000,000	Altice France SA 9.50% 01/11/2029	1,387,144	1,443,569	0.53

NEWGEN CREDIT STRATEGIES FUND

Schedule of Investment Portfolio (continued) As at June 30, 2026 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
U.S. fixed income (continued)				
3,000,000	ANGI Group LLC 3.875% 15/08/2028	\$ 3,530,890	\$ 3,614,732	1.34
3,000,000	Anywhere Real Estate Group LLC / Anywhere Co-Issuer Corp. 7% 15/04/2030	4,092,907	4,292,609	1.59
2,000,000	Anywhere Real Estate Group LLC / Realogy Co-Issuer Corp. 9.75% 15/04/2030	2,912,326	3,055,581	1.13
5,000,000	Babcock & Wilcox Enterprises Inc. 8.75% 30/06/2030	6,886,160	7,139,291	2.64
3,000,000	Beazer Homes USA Inc. 7.50% 15/03/2031	4,130,246	4,250,633	1.57
10,000,000	Canada Cartage Corp. 9.75% 08/05/2031	13,546,170	13,828,852	5.12
5,000,000	Carvana Co. 14% 01/06/2031	7,657,982	7,843,149	2.90
5,622,000	Dana Inc. 4.50% 15/02/2032	7,833,270	7,975,669	2.95
74,000	Desktop Litigation Trust Note 18.96461% - First Lien	103,467	105,117	0.04
577,254	Desktop Metal Inc. 14.31974% 12/06/2025 - Third Lien	789,510	737,990	0.27
1,442,000	Desktop Metal Inc. 6% 15/05/2027	1,990,634	819,344	0.30
9,206,000	Genworth Holdings Inc. 6.78757% 15/11/2036	10,776,980	10,984,653	4.07
4,200,000	J2 Global Inc. 4.625% 15/10/2030	5,415,484	5,612,609	2.08
3,500,000	Martin Midstream Partners LP / Martin Midstream Finance Corp. 11.50% 15/02/2028	5,193,153	5,014,656	1.86
4,500,000	Papa John's International Inc. 3.875% 15/09/2029	5,931,211	6,150,687	2.28
4,000,000	Polaris Renewable Energy Inc. 9.50% 03/12/2029	5,712,382	5,992,635	2.22
4,885,000	Progress Software Corp. 3.50% 01/03/2030	6,291,260	6,673,928	2.47
8,410,000	SBL Holdings Inc. 6.50%	11,170,376	10,877,321	4.03
5,000,000	Shutterfly Finance LLC 8.50% 01/10/2027	6,903,146	7,102,500	2.63
3,624,000	Teleflex Inc. 4.25% 01/06/2028	4,940,002	5,078,344	1.88
2,865,000	TopBuild Corp. 3.625% 15/03/2029	3,873,102	4,069,733	1.51
7,880,000	TopBuild Corp. 4.125% 15/02/2032	11,014,626	11,319,467	4.19
4,840,000	TopBuild Corp. 5.625% 31/01/2034	6,691,873	6,952,566	2.57
6,684,000	TriMas Corp. 4.125% 15/04/2029	9,124,865	9,154,999	3.39
2,000,000	Winnebago Industries Inc. 3.25% 15/01/2030	2,608,898	2,673,125	0.99
		<u>154,567,460</u>	<u>156,907,187</u>	<u>58.08</u>
	Total investments owned	274,174,684	268,634,006	99.46
Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
Canadian equities				
(50,000)	Atrium Mortgage Investment Corp.	\$ (581,441)	\$ (600,000)	(0.22)
(40,000)	BMO Equal Weight Banks Index ETF	(2,303,693)	(3,037,599)	(1.12)
(9,400)	Brookfield Business Corp.	(406,341)	(398,371)	(0.15)
(372,000)	Dye & Durham Ltd.	(637,413)	(513,360)	(0.19)
(140,000)	iShares Canadian Corporate Bond Index ETF	(2,837,218)	(2,832,200)	(1.05)
(86,100)	iShares S&P/TSX Canadian Preferred Share Index ETF	(1,185,545)	(1,213,149)	(0.45)
(366,453)	Victoria Gold Corp.	(349,107)	(3,665)	0.00
		<u>(8,300,758)</u>	<u>(8,598,344)</u>	<u>(3.18)</u>

NEWGEN CREDIT STRATEGIES FUND

Schedule of Investment Portfolio (continued) As at June 30, 2026 (Unaudited)

Number of shares/units	Investments sold short	Proceeds on short sale	Fair value	% of net asset value
	Canadian fixed income			
(460,000)	AutoCanada Inc. 5.75% 07/02/2029	\$ (438,150)	\$ (454,034)	(0.17)
(5,985,000)	Canadian Government Bond 3.50% 01/12/2057	(5,607,877)	(5,678,209)	(2.10)
		<u>(6,046,027)</u>	<u>(6,132,243)</u>	<u>(2.27)</u>
	Canadian options			
(750,000)	Cineplex Inc. Call \$13 17/07/2026	(135,000)	(52,500)	(0.02)
(15,000)	Groupe Dynamite Inc. Call \$56 17/07/2026	(38,700)	(36,750)	(0.01)
		<u>(173,700)</u>	<u>(89,250)</u>	<u>(0.03)</u>
	Canadian warrant			
(11)	Constellation Software Inc. \$0 31/03/2040	—	—	—
	U.S. equities			
(75,300)	Invesco Senior Loan ETF	(2,193,768)	(2,178,850)	(0.81)
(25,884)	iShares iBoxx \$ High Yield Corporate Bond ETF	(2,831,720)	(2,940,355)	(1.09)
(7,000)	Winnebago Industries Inc.	(309,077)	(310,635)	(0.12)
		<u>(5,334,565)</u>	<u>(5,429,840)</u>	<u>(2.02)</u>
	U.S. fixed income			
(2,000,000)	goeasy Ltd. 9.25% 01/12/2028	(2,588,380)	(2,796,851)	(1.04)
	U.S. options			
(40,000)	VanEck BDC Income ETF Call \$13 21/08/2026	(9,557)	(7,103)	0.00
(47,500)	VanEck BDC Income ETF Call \$14 18/12/2026	(15,646)	(10,121)	0.00
(9,500)	VanEck BDC Income ETF Call \$14 20/11/2026	(3,765)	(1,012)	0.00
(200)	VanEck BDC Income ETF Call \$14 21/08/2026	(25)	(14)	0.00
		<u>(28,993)</u>	<u>(18,250)</u>	<u>0.00</u>
	Total investments sold short	(22,472,423)	(23,064,778)	(8.54)
	Commissions and other portfolio transaction costs	<u>(31,624)</u>	—	—
	Net investments owned	\$ 251,670,637	245,569,228	90.92
	Unrealized loss, foreign exchange forward contracts (Schedule 1)		(4,241,031)	(1.57)
	Other assets, net		<u>28,703,396</u>	<u>10.65</u>
	Net Assets Attributable to Holders of Redeemable Units		\$ 270,031,593	100.00

NEWGEN CREDIT STRATEGIES FUND

Schedule of Investment Portfolio (continued)

As at June 30, 2026 (Unaudited)

Schedule 1 - Foreign Exchange Forward Contracts

Settlement Date	Currency Sold	Currency Bought	Forward Rates	Contract Price	Fair Value	Unrealized gain (loss)
August 10, 2026	USD	CAD	1.418098	\$ (178,409,236) \$	(182,622,660) \$	(4,213,424)
August 10, 2026	USD	CAD	1.418098	(8,800,000)	(8,972,077)	(172,077)
August 10, 2026	USD	CAD	1.418098	(232,486)	(232,568)	(82)
August 10, 2026	USD	CAD	1.418098	(293,954)	(293,546)	408
August 10, 2026	CAD	USD	1.418098	4,938,500	5,055,131	116,631
August 10, 2026	CAD	USD	1.418098	1,165,000	1,192,513	27,513
Total unrealized loss on foreign exchange forward contracts					\$	(4,241,031)

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

NewGen Credit Strategies Fund (the "Fund") is an open-ended mutual fund trust that was established under the laws of the Province of Ontario pursuant to a declaration of trust dated January 2, 2019, as amended January 28, 2021, February 9, 2021 and December 19, 2022. The Fund inception date is December 19, 2022. The Fund commenced active operations on December 29, 2022. NewGen Asset Management Limited (the "Manager"), is the manager, portfolio manager, trustee and promoter of the Fund. The address of the Manager 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, promoter 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 brokers and custodians for the Fund are TD Securities Inc. and Scotiabank.

The Fund's principal investment objective is to maximize absolute returns for unitholders over the typical corporate credit cycle by providing a combination of income and capital gains while minimizing the volatility of returns. In order to achieve its investment objective, the Fund intends to invest in a concentrated but appropriately diversified portfolio of North American corporate bonds issued by non-investment grade publicly traded corporations and may also invest in other types of credit securities such as term loans, convertible bonds, preferred equity, and common equity securities. 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 IFRS Accounting Standards and International Accounting Standard 34, Interim Financial Reporting (together "IFRS Accounting Standards") as issued by the IASB.

The interim financial statements were authorized for issue by the Manager on August 17, 2026.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information:

The following is a summary of the Fund's material accounting policy information:

(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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (continued):

The Fund classifies its investments in equities, fixed income, derivatives, warrants and options 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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (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.

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 on sale of investments, including foreign exchange adjustments, in the statements of comprehensive income.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (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 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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (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.

(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 based on the stated coupon 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 Accounting Standards 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 7 – unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (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 with net realized gain/loss on sale of investments, including foreign exchange adjustments, and net change in unrealized appreciation/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 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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (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:

Interest and dividends receivable, subscriptions receivable, receivable for investments sold and other receivables are classified as measured at amortized cost. Accounts payable and accrued liabilities, redemptions payable, management fees payable, performance fees payable, interest and 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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (continued):

(r) Cash:

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 margin and collateral.

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.

(u) New and revised IFRS Accounting Standards issued by the IASB effective in the current period

Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 - Financial Instruments and IFRS 7 - Financial Instruments: Disclosures. The amendments relate to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with Environmental, Social, and Governance ("ESG")-linked features. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added disclosure requirements for financial instruments with contingent features. The amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Fund has assessed the the new standard and determined that there is no impact on the Fund's interim financial statements.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

2. Material accounting policy information (continued):

- (v) New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the Fund

Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued the new standard IFRS 18 - Presentation and Disclosure in Financial Statements that will replace IAS 1 - Presentation of Financial Statements. The new standard introduces newly defined subtotals on the income statement, requirements for aggregation and disaggregation of information, and disclosure of Management Performance Measures ("MPMs") in the financial statements. The new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Fund is assessing the impacts to the interim financial statements.

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 F (USD) units: 1.00% per annum
- Class G units: 2.00% per annum
- Class G (USD) units: 2.00% per annum
- 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.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

3. Related party transactions (continued):

(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.

(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, 2026, 28,345 Class I units (December 31, 2025 – 27,752 Class I units) were owned by the Manager and its officers, which represents \$321,699 (December 31, 2025 - \$311,994) in net assets attributable to holders of redeemable units.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

4. Cash and Bank Indebtedness:

Cash and cash equivalents include cash deposits with financial institutions and bank indebtedness that are repayable on demand and form an integral part of the Fund's cash management activities.

	June 30, 2026		June 30, 2025	
Cash	\$	27,012,200	\$	11,936,338
Cash in statement of cash flows	\$	27,012,200	\$	11,936,338

5. 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 F (USD), Class G, Class G (USD) and Class I units. Class C Founders units are available to certain investors on a case-by-case basis, all at the discretion of the Manager (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 for service or wrap program 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 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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

5. Redeemable units of the Fund (continued):

The unit activity during the periods ended June 30, 2026 and 2025 is as follows:

	Redeemable Units, beginning of period	Redeemable Units Issued	Redemptions of Redeemable Units	Reinvestments of Units	Redeemable Units, end of period
2026					
Class C	8,355,721	2,956,955	(1,168,842)	102,896	10,246,730
Class F	8,735,734	4,376,779	(2,038,850)	87,928	11,161,591
Class F USD	295,613	57,714	(86,638)	2,717	269,406
Class G	847,474	111,041	(112,556)	14,768	860,727
Class G USD	70,329	1,333	–	948	72,610
Class I	146,825	14,546	(7,490)	2,920	156,801
2025					
Class C	5,286,805	2,266,603	(671,912)	66,334	6,947,830
Class F	2,342,235	5,141,368	(395,712)	57,534	7,145,425
Class F USD	96,143	163,999	(52,694)	3,074	210,522
Class G	482,198	247,960	(30,485)	9,895	709,568
Class G USD	23,672	44,391	–	792	68,855
Class I	167,079	11,377	(46,549)	2,666	134,573

(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 CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

5. 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.

6. 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 TD Securities Inc which is rated A+ and Scotiabank which is rated A+ by S&P Global Rating.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

6. Financial risk management (continued):

(b) Credit risk (continued):

The following table is a summary of the Fund's debt instruments by credit rating, excluding cash, as at June 30, 2026 and December 31, 2025.

Debt instruments by credit rating*	Percentage of Net Asset Value	
	June 30, 2026	December 31, 2025
AAA	(2.10%)	5.01%
AA	2.48%	0.00%
A	2.62%	0.00%
BBB+	0.00%	2.26%
BBB	1.93%	2.88%
BBB-	0.00%	2.36%
BB+	8.27%	2.72%
BB	19.03%	13.91%
BB-	4.80%	5.68%
B+	8.21%	8.72%
B	6.59%	7.41%
B-	7.23%	4.10%
CCC+	2.06%	1.55%
NR	11.60%	29.20%

*Excludes cash and cash equivalents.

(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.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

6. Financial risk management (continued):

(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.

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, 2026, the Fund's lowest and highest aggregate gross exposure was 108.9% (December 31, 2025 – 112.8%) and 141.0% (December 31, 2025 – 145.2%) of the Fund's NAV, respectively. The primary source of leverage was short positions in credit 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.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

6. Financial risk management (continued):

(e) Market risk (continued):

(i) Interest rate risk (continued):

The Fund actively manages its interest rate exposure, but net assets tend to be more affected by changes in credit spreads than by changes in underlying interest rates. As the majority of the portfolio is in shorter duration high yield bonds with a significant weight in cash and cash-like instruments, interest rate sensitivity tends to be less pronounced than other fixed income asset classes. As of June 30, 2026 and December 31, 2025, the Fund's interest rate exposure by duration bucket is as follows :

Debt instruments by maturity date	June 30, 2026	December 31, 2025
Less than 1 year	\$ 5,764,016	\$ 45,764,048
1 - 3 years	35,477,404	47,363,597
3 - 5 years	90,925,924	56,026,894
Greater than 5 years	64,288,086	38,552,855
Net exposure	\$ 196,455,430	\$ 187,707,394
Effect in %		
Net assets attributable to holders of redeemable units	72.75	85.82

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

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

6. Financial risk management (continued):

(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.

As at June 30, 2026, 23.4% (December 31, 2025 – 18.9%) of the Fund's net assets attributable to holders of redeemable units were invested in securities traded on North American stock exchanges, while 5.2% (December 31, 2025 – 9.0%) 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 \$4,911,380 or 1.8% (December 31, 2025 - \$2,150,473 or 1.0%) 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.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

6. Financial risk management (continued):

(iii) Currency risk (continued):

Currencies to which the Fund had exposure as at June 30, 2026, 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, 2026						
U.S. Dollar	\$ (19,387,569)	\$ 18,231,706	\$ (1,155,863)	\$ (969,378)	\$ 911,585	\$ (57,793)
% of Net Assets						
Attributable to Holders of Redeemable Units	(7.18)	6.75	(0.43)	(0.36)	0.34	(0.02)

Currencies to which the Fund had exposure as at December 31, 2025, 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
December 31, 2025						
U.S. Dollar	\$ (217,072)	\$ 2,689,105	\$ 2,472,033	\$ (10,854)	\$ 134,455	\$ 123,601
% of Net Assets						
Attributable to Holders of Redeemable Units	(0.10)	1.23	1.13	0.00	0.06	0.06

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

7. 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, 2026:

	Level 1	Level 2	Level 3	Total
Assets				
Common stocks	\$ 63,249,482	\$ –	\$ –	63,249,482
Fixed Income	14,705,893	189,016,180	1,662,451	205,384,524
Forwards	–	144,552	–	144,552
	\$ 77,955,375	\$ 189,160,732	\$ 1,662,451	\$ 268,778,558
Liabilities				
Common stocks	\$ 14,024,519	\$ 3,665	\$ –	14,028,184
Fixed Income	–	8,929,094	–	8,929,094
Options	107,500	–	–	107,500
Forwards	–	4,385,583	–	4,385,583
	\$ 14,132,019	\$ 13,318,342	\$ –	\$ 27,450,361

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

	Total
Beginning Balance, January 01, 2026	\$ 1,802,876
Change in unrealized depreciation included in net income	(140,425)
Ending Balance, June 30, 2026	\$ 1,662,451

During the period ended June 30, 2026, DIRT Environmental Solutions 6.25% 31DEC2026 CONV. \$4.20, Cineplex Inc. 7.75% 01MAR2030 CONV. \$10.29 and Chemtrade Logistics Income Fund 7% 30JUN2028 have been transferred from level 2 to level 1 as these are exchange traded convertible bonds.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

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

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, 2025:

	Level 1	Level 2	Level 3	Total
Assets				
Common stocks	\$ 41,285,230	\$ —	\$ —	\$ 41,285,230
Fixed Income	—	195,357,046	1,802,876	197,159,922
Forwards	—	2,301,063	—	2,301,063
	\$ 41,285,230	\$ 197,658,109	\$ 1,802,876	\$ 240,746,215
Liabilities				
Common stocks	\$ 19,589,584	\$ 3,665	\$ —	\$ 19,593,249
Fixed Income	—	9,452,528	—	9,452,528
Options	187,250	—	—	187,250
Forwards	—	97,358	—	97,358
	\$ 19,776,834	\$ 9,553,551	\$ —	\$ 29,330,385

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

	Total
Beginning Balance, January 01, 2025	\$ —
Purchases	3,653,911
Sales	(763,177)
Realized loss included in net income	(7,124)
Change in unrealized depreciation included in net income	(1,080,734)
Ending Balance, December 31, 2025	\$ 1,802,876

During the year ended December 31, 2025, there were no transfers of securities between levels.

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.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

7. 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, 2026	Fair value at December 31, 2025
Unlisted Fixed Income	Market Approach	Interest Rates	A 1% increase in Yield to Maturity would cause a \$16,625 decrease in market value	\$ 1,662,451	\$ 1,802,876
				\$ 1,662,451	\$ 1,802,876

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

8. Derivative financial instruments:

The Fund holds the following derivative instruments:

Forward contracts:

The Fund may enter into various forward contracts as part of its investment strategy. Generally, a forward contract is a customized contract between two parties to purchase or sell an asset at a specified price on a future date. The Fund may use forward contracts to gain exposure to, or hedge against, changes in the value of equities, commodities, interest rates or foreign currencies. If market conditions move unexpectedly, the anticipated benefits of forward contracts may not be achieved and a loss may be realized. The use of forward contracts involves the risk of imperfect correlation in movements in the price of forward contracts and the underlying instruments or commodities.

Forward contracts are offset and the net amount presented 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.

The following tables detail the Fund's investments in forward contracts as at June 30, 2026 related to the hedging of the USD exposure for the Class F US and Class G US units:

Class F US

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized gain/ loss
August 10, 2026	USD	TD Securities	1.4181 \$	5,055,131 \$	4,938,500 \$	116,631
August 10, 2026	USD	TD Securities	1.4181	(232,568)	(232,486)	(82)
August 10, 2026	USD	TD Securities	1.4181	(293,546)	(293,954)	408

Class G US

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized gain
August 10, 2026	USD	TD Securities	1.4181 \$	1,192,513 \$	1,165,000 \$	27,513

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

8. Derivative financial instruments (continued):

The following tables detail the Fund's investments in forward contracts as at December 31, 2025 related to the hedging of the USD exposure for the Class F US and Class G US units:

Class F US

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized loss
March 4, 2026	CAD	TD Securities	1.3678 \$	5,093,058 \$	5,173,000 \$	(79,942)

Class G US

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized loss
March 4, 2026	CAD	TD Securities	1.3678 \$	1,109,584 \$	1,127,000 \$	(17,416)

The following table details the Fund's investments in forward contracts as at June 30, 2026 related to portfolio hedges:

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized loss
August 10, 2026	USD	TD Securities	1.4181 \$	(182,622,660) \$	(178,409,236) \$	(4,213,424)
August 10, 2026	USD	TD Securities	1.4181	(8,972,077)	(8,800,000)	(172,077)

The following table details the Fund's investments in forward contracts as at December 31, 2025 related to portfolio hedges:

Settlement date	Currency	Counterparty	Forward rate	Fair value	Notional amount	Unrealized gain
March 4, 2026	USD	TD Securities	1.3678 \$	(144,991,040) \$	(147,266,860) \$	2,275,820
March 4, 2026	CAD	TD Securities	1.3678	28,325,243	28,300,000	25,243

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

8. Derivative financial instruments (continued):

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognized on the statements of financial position, but they do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and do not, therefore, indicate the Fund's exposure to credit or market price risks.

The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in market prices or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable and, thus, the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

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.

The following table detail the Fund's investments in warrants as at June 30, 2026:

Description	Maturity Date	Strike price		Notional Amount	Fair value
Constellation Software Inc.	31-Mar-40	\$	0.31	\$ (3)	–

The following table details the Fund's investments in warrants as at December 31, 2025:

Description	Maturity Date	Strike price		Notional Amount	Fair value
Constellation Software Inc.	31-Mar-40	\$	0.31	\$ (3)	–

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

8. 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, 2026:

Description	Maturity Date	Strike price	Notional Amount
Cineplex Inc. Call \$13	17-Jul-26	\$ 13.00	\$ (9,750,000)
Groupe Dynamite Inc. Call \$56	17-Jul-26	56.00	(840,000)
VanEck BDC Income ETF Call \$13	21-Aug-26	13.00	(520,000)
VanEck BDC Income ETF Call \$14	18-Dec-26	14.00	(665,000)
VanEck BDC Income ETF Call \$14	20-Nov-26	14.00	(133,000)
VanEck BDC Income ETF Call \$14	21-Aug-26	14.00	(2,800)

The following table summarizes the Fund's investments in options as at December 31, 2025:

Description	Maturity Date	Strike price	Notional Amount
Cineplex Inc. Call \$12	16-Jan-26	\$ 12.00	\$ (600,000)
Cineplex Inc. Call \$12.50	20-Mar-26	12.50	(5,000,000)
Cineplex Inc. Call \$13	20-Feb-26	13.00	(5,850,000)

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

9. 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, 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.

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, 2025, the Fund had net capital loss carryforwards of \$nil (2024 – nil) and non-capital loss carryforwards of \$nil (2024 – nil).

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

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. 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 periods ended June 30, 2026 and 2025, is disclosed below:

	June 30, 2026	June 30, 2025
Soft dollar relationships	5	4
Percentage of total commissions and other portfolio transaction costs	71.55%	100.00%

12. Impact of reclassification:

Certain comparative amounts in the interim financial statements have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported net assets attributable to holders of redeemable units and increase/decrease in net assets attributable to holders of redeemable units.

Certain cash, collateral, and margin balances previously presented as "Due from broker" were reclassified in the June 30, 2025 comparative amounts to cash and unsettled trades. Related payables for investments purchased and receivables for investments sold are now presented separately in the interim financial statements.

NEWGEN CREDIT STRATEGIES FUND

Notes to Financial Statements

For the six-months ended June 30, 2026 and 2025

12. Impact of reclassification (continued):

The following table summarizes the impact on the fund's interim financial statements:

(a) Statements of Financial Position

	Impact of reclassification		
	As previously reported	Adjustments	Adjusted
As at June 30, 2025			
Cash	\$ 23,725	\$ 11,912,613	\$ 11,936,338
Due from broker	11,599,419	(11,599,419)	–
Receivable for investments sold	–	5,307,156	5,307,156
Remaining assets	192,309,134	–	192,309,134
TOTAL ASSETS	203,932,278	5,620,350	209,552,628
Remaining liabilities	19,329,797	–	19,329,797
Payable for investments purchased	–	5,620,350	5,620,350
TOTAL LIABILITIES	19,329,797	5,620,350	24,950,147
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	\$ 184,602,481	–	\$ 184,602,481

(b) Statements of Cash Flows

	Impact of reclassification		
	As previously reported	Adjustments	Adjusted
For the period ended June 30, 2025			
Increase in net assets attributable to holders of redeemable units	\$ 4,239,914	\$ –	\$ 4,239,914
Adjustments for non-cash items:	1,817,045	–	1,817,045
Changes in non-cash balances:			
Due from broker	(5,639,723)	5,639,723	–
Receivable for investments sold	–	(5,307,156)	(5,307,156)
Payable for investments purchased	–	5,530,649	5,530,649
Remaining assets/liabilities	(1,213,295)	–	(1,213,295)
Proceeds from sale of investments	397,724,021	–	397,724,021
Purchase of investments	(475,528,711)	–	(475,528,711)
Cash used in operating activities	(78,600,749)	5,863,216	(72,737,533)
Cash provided by financing activities	78,822,169	–	78,822,169
Increase/ decrease in cash during the period	221,420	5,863,216	6,084,636
Cash, beginning of period	746	6,049,397	6,050,143
Foreign exchange loss on cash	(198,441)	–	(198,441)
Cash, end of period	\$ 23,725	\$ 11,912,613	\$ 11,936,338