



## ALGONQUIN FIXED INCOME 2.0 FUND

### Interim Management Report of Fund Performance

The interim Management Report of Fund Performance contains Financial Highlights but does not contain the complete interim financial statements of the Investment Fund.

For the period ended June 30, 2022

**Algonquin Capital Corporation**

Investment Manager  
Toronto, ON, Canada

## Forward-Looking Statements (“FLS”)

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

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

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

---

This interim Management Report of Fund Performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Algonquin Fixed Income 2.0 Fund's Simplified Prospectus ("Prospectus"), and Financial Statements ("Financial Statements"). You can obtain a copy of the Financial Statements at your request, and at no cost, by calling 1 833 306 8404, by writing to us at [info@algonquincap.com](mailto:info@algonquincap.com), or by visiting our website at [www.algonquincap.com](http://www.algonquincap.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Investors may also contact using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

In this report, Algonquin Capital Corporation Inc. is referred to as the Manager of the Fund. The "Fund" refers to Algonquin Fixed Income 2.0 Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars and are expressed in millions, unless otherwise indicated.

### MANAGEMENT DISCUSSION OF FUND PERFORMANCE

#### *Investment Objective and Strategies*

Algonquin Fixed Income 2.0 Fund (the "Fund") is an alternative mutual fund trust formed and organized under the laws of the Province of Ontario pursuant to a master declaration of trust dated August 20, 2019, as may be amended from time to time (the "Declaration of Trust"). The Fund commenced active operations on December 9, 2019. The address of the Fund's registered office is 40 King Street West, Suite 3402, Toronto, Ontario, M5H 3Y2, Canada.

The investment objective of the Fund is to generate positive total returns over the long term and to preserve capital. The Fund will seek to achieve the Fund's investment objective by investing primarily in debt and income producing instruments of governments, corporations and financial institutions in the developed world as well as derivative contracts for investment or hedging purposes. The Fund may also invest in convertible debt securities, fixed-income securities of government agencies or of supranational agencies, floating rate securities, trusts, corporate bonds and loans, exchange-traded funds, limited partnerships, and preferred shares. The Fund may engage in securities lending, repurchase and reverse repurchase transactions and seek exposure that is similar to direct investment in fixed income securities by using credit and interest rate derivatives.

#### *Exemptions from National Instrument 81-102*

In order to permit the Fund to engage in the short selling of "government securities" (as that term is defined in NI 81-102) up to a maximum of 300% of the Fund's Net Asset Value ("NAV"), the Fund has obtained exemptive relief from securities regulators from the following provisions of NI 81-102

- (a) Subparagraph 2.6.1 (1)(c)(v), which restricts the Fund from selling a security short if, at that time, the aggregate market value of the securities sold short by the Fund exceeds 50% of the Fund's NAV; and
- (b) Section 2.6.2, which states that the Fund may not borrow cash or sell securities short if, immediately after entering into a cash borrowing or short selling transaction, the aggregate market value of cash borrowing combined with the aggregate market value of the securities sold short by the Fund would exceed 50% of its NAV.

In connection with this exemptive relief, the Fund has implemented the policies, procedures and controls relating to short selling transactions, as described in the Fund's Annual Information Form.

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

---

### **Leverage**

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 unfavourable times.

In accordance with the Alternative Fund Investment Relief obtained by the Fund, as aforementioned, the aggregate exposure of the Fund, to be calculated as the sum of the following, must not exceed 300% of the Fund's NAV: (a) the aggregate value of the Fund's outstanding indebtedness under any borrowing agreements; (b) the aggregate market value of all securities sold short by the Fund; and, (c) the aggregate notional amount of the Fund's specified derivative positions minus the aggregate notional amount of the specified derivative positions that are hedging transactions.

During the period ended June 30, 2022, the Fund's lowest and highest aggregate gross exposure was 194% (December 31, 2021 - 157%) and 239% (December 31, 2021 - 238%) of the Fund's NAV respectively. The Fund's primary source of leverage was short positions in government fixed income securities. The Fund's strategy is outlined in the Fund's Simplified Prospectus.

### **Risk**

The major risks for the Fund are credit risk and interest rate risk. The risks associated with investing in the Fund remain as discussed in the Simplified Prospectus. The Fund may be suitable for investors that have low to medium risk tolerance, are seeking exposure to a diversified portfolio of primarily investment grade fixed-income investments and plan to hold their investment for a medium to longer term investment horizon.

For the period ended June 30, 2022, there were no changes affecting the overall level of risk associated with an investment in the Fund. Therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the Simplified Prospectus.

### **Results of Operations**

As at June 30, 2022, the Fund has net assets of \$108.40 (December 31, 2021 - \$114.38) million. During the period ended June 30, 2022 the Fund had net subscriptions and reinvestment of distributions of \$4.39 (December 31, 2021 - \$51.90) million and \$(10.37) (December 31, 2021 - \$2.56) million resulting from the Fund's performance.

During the period ended June 30, 2022, the Fund distributed \$1.96 (June 30, 2021 - \$0.91) million to unitholders of which \$1.24 (June 30, 2021 - \$0.78) million was reinvested into the Fund. In the same period the Fund's Class A units, Class F units, Class FF units and Class I units earned annualized returns of -9.01%, -8.77%, -8.54%, and -8.29% (June 30, 2021 - 1.33%, 1.59%, 1.85%, and 2.13%). There were no unusual trends in sales, redemptions or adjustments to the components of the Fund's revenue and expenses during the reporting period.

The combination of a sharp increase in interest rates and the sell-off in credit made for a challenging environment for fixed income funds. Central banks are heavily focused controlling inflation and this has led bond markets to be priced based on the expectation of overnight rates reaching 3.50% by the end of 2022. This expectation has caused interest rates to move higher between 1.5% to 2.3% year-to-date 2022, with yield curves flattening.

Credit has been affected by rates and recession. Fears over rising rates saw investors flee the bond markets, leading to a liquidity, technically-driven sell-off in corporate debt. The credit spread widening was exacerbated as valuations began to account for a high probability of a recession on the horizon.

The Fund's investment strategy is designed to enhance yield and returns through investment-grade credit and a widening in

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

domestic credit spreads created a difficult environment. Despite the Fund having a defensive posture with duration held at the low end of the 2 year to 6 year range for much of the first half of 2022, the magnitude of the move in yields has left little room for the strategy to produce positive returns.

### ***Recent Developments***

During the period, the Fund did not undergo material changes pertaining to its accounting policies or composition of its Independent Review Committee. There were also no changes to the Fund's risk rating, which remains as described in the Simplified Prospectus. There were no material changes to the strategic positioning of the Fund during the period, nor changes to the Fund's manager. Furthermore, there were no reorganizations, mergers, or similar transactions that had an effect on the Fund, nor are any such transactions planned as of the date of this report.

The Fund enters the second half of the year with a yield of 7.50%, a duration of 4 years, and a medium level of outright credit exposure. With markets pricing in overnight rates of 3.50% and the Canadian 10-years trading above 3%, the Investment Manager has extended the interest rate duration to 4 years (the Fund's neutral level). The base case scenario priced into the yield curve seems reasonable and from this posture the Investment Manager can easily pivot based on the inflation and economic data.

On the credit side, the Investment Manager is balancing attractive valuations with recession risks by selectively adding exposures into the weakness, with focus on banks, telcos, and quality energy names, in order to enhance the quality of the portfolio into issuers with the resilience to manage through a recession.

### ***Related Party Transactions***

#### **Management fees:**

The Manager receives a monthly management fee for providing its services to the Fund. Services include but are not limited to determining and implementing investment policies, practices, and strategies; ensuring daily operations and administration of the Fund. The management fee varies for each class of units and 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. For the period ended June 30, 2022, the Fund incurred management fees of \$450,167 (June 30, 2021 – \$256,076).

Approximately 2.15% of total management fees were used to pay for sales and trailing commissions. The remaining 97.85% were used to pay for investment management and other general administration and fund operating expenses.

#### **Expenses:**

The Fund is responsible for all costs incurred in connection with the organization and ongoing activities of the Fund, including but not limited to brokerage commissions and fees, fees associated with securities lending transactions and related transaction fees, taxes, audit and legal fees, fees in connection with the operation of the independent review committee, safekeeping and custodial fees, interest expenses, operating, administrative and system costs, investor servicing costs and costs of financial and other reports to investors, as well as prospectuses, annual information forms and fund facts. Advertising costs and costs of dealer compensation programs are paid by the Manager. The Manager, in its sole

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

---

discretion, may reimburse a portion or all of the Fund's operating expenses.

### **Related party unit holdings:**

As at June 30, 2022, directors and key management personnel of the Manager, directly or indirectly held 4,456 Series I units in the Fund (December 31, 2021 – 4,202 Series I units).

### **Independent Review Committee**

The Fund did not rely on any approval, positive recommendation or standing instruction from its IRC with respect to any related party transactions.

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

### Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help readers understand the Fund's financial performance for the period indicated. The information on the following tables is based on prescribed regulations. As a result, subtotals are not expected to equal aggregate totals due to the increase (decrease) in net assets attributable to holders of redeemable units being based on the weighted average number of units outstanding during the period and all other numbers being based on actual number of units outstanding as at the relevant point in time.

### The Fund's Net Asset Value (NAV) per Unit <sup>(1)</sup>

	Series A		
	June 30, 2022	December 31, 2021	December 31, 2020
<b>Net assets, beginning of period</b>	<b>\$ 104.91</b>	<b>\$ 104.27</b>	<b>\$ 100.00</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	5.45	9.55	11.35
Total expenses	(2.78)	(5.52)	(5.18)
Realized gain for the period	0.19	1.35	0.24
Unrealized loss for the period	(13.59)	(3.81)	6.78
<b>Total increase (decrease) in net assets from operations (2)</b>	<b>(10.73)</b>	<b>1.57</b>	<b>13.19</b>
<b>Distributions:</b>			
From net income	(1.16)	(0.43)	(5.71)
From dividends	-	(0.30)	(0.71)
<b>Total Annual Distributions (2) (3)</b>	<b>(1.16)</b>	<b>(0.73)</b>	<b>(6.42)</b>
<b>Net assets attributable to holders of redeemable units, end of period (3)</b>	<b>\$ 94.07</b>	<b>\$ 104.91</b>	<b>\$ 104.27</b>
<b>Ratios and Supplemental Data</b>			
Total Net Asset Value (4)	\$ 2,982,767	\$ 5,273,752	\$ 850,369
Number of units outstanding (4)	31,707	50,270	8,156
Management expense ratio before reimbursements(5)	1.83%	2.00%	2.06%
Management expense ratio after reimbursements(5)	1.81%	1.90%	1.77%
Trading expense ratio (6)	3.85%	0.72%	0.82%
Portfolio turnover rate (7)	108.24%	262.44%	447.70%
<b>Net Asset Value per Unit</b>	<b>\$ 94.07</b>	<b>\$ 104.91</b>	<b>\$ 104.27</b>

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

### The Fund's Net Asset Value (NAV) per Unit <sup>(1)</sup>

	Series F			
	June 30, 2022	December 31, 2021	December 31, 2020	December 31, 2019
<b>Net assets, beginning of period</b>	\$ 106.84	\$ 106.60	\$ 100.00	\$ 100.00
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>				
Total revenue	6.23	9.70	14.42	0.00
Total expenses	(2.54)	(5.03)	(5.32)	-
Realized gain for the period	0.27	1.28	0.69	0.00
Unrealized loss for the period	(13.16)	(3.60)	5.45	-
<b>Total increase (decrease) in net assets from operations (2)</b>	(9.20)	2.35	15.24	-
<b>Distributions:</b>				
From net income	(1.73)	(1.42)	(8.66)	-
From dividends	-	(0.45)	(1.01)	-
<b>Total Annual Distributions (2) (3)</b>	(1.73)	(1.87)	(9.67)	-
<b>Net assets attributable to holders of redeemable units, end of period (3)</b>	\$ 95.86	\$ 106.84	\$ 106.60	\$ 100.00
<b>Ratios and Supplemental Data</b>				
Total Net Asset Value (4)	\$ 65,047,239	\$ 57,357,407	\$ 4,598,231	\$ 150,000
Number of units outstanding (4)	678,586	536,855	43,136	1,500
Management expense ratio before reimbursements(5)	1.32%	1.45%	1.97%	2.00%
Management expense ratio after reimbursements(5)	1.29%	1.36%	1.31%	0.00%
Trading expense ratio (6)	3.85%	0.72%	0.82%	0.00%
Portfolio turnover rate (7)	108.24%	262.44%	447.70%	0.00%
<b>Net Asset Value per Unit</b>	\$ 95.86	\$ 106.84	\$ 106.60	\$ 100.00



# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

### The Fund's Net Asset Value (NAV) per Unit <sup>(1)</sup>

	Series FF		
	June 30, 2022	December 31, 2021	December 31, 2020
<b>Net assets, beginning of period</b>	<b>\$ 104.10</b>	<b>\$ 104.04</b>	<b>\$ 100.00</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	5.93	10.54	11.07
Total expenses	(2.25)	(4.32)	(4.26)
Realized gain for the period	0.25	1.70	0.17
Unrealized loss for the period	(12.90)	(4.87)	7.03
<b>Total increase (decrease) in net assets from operations (2)</b>	<b>(8.97)</b>	<b>3.05</b>	<b>14.01</b>
<b>Distributions:</b>			
From net income	(1.68)	(2.15)	(6.06)
From dividends	-	(1.12)	(0.70)
<b>Total Annual Distributions (2) (3)</b>	<b>(1.68)</b>	<b>(3.27)</b>	<b>(6.76)</b>
<b>Net assets attributable to holders of redeemable units, end of period (3)</b>	<b>\$ 93.44</b>	<b>\$ 104.10</b>	<b>\$ 104.04</b>
<b>Ratios and Supplemental Data</b>			
Total Net Asset Value (4)	\$ 28,254,726	\$ 39,114,875	\$ 49,982,934
Number of units outstanding (4)	302,372	375,758	480,437
Management expense ratio before reimbursements(5)	0.82%	0.93%	1.03%
Management expense ratio after reimbursements(5)	0.79%	0.84%	0.79%
Trading expense ratio (6)	3.85%	0.72%	0.82%
Portfolio turnover rate (7)	108.24%	262.44%	447.70%
<b>Net Asset Value per Unit</b>	<b>\$ 93.44</b>	<b>\$ 104.10</b>	<b>\$ 104.04</b>

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

### The Fund's Net Asset Value (NAV) per Unit <sup>(1)</sup>

	Series I		
	June 30, 2022	December 31, 2021	December 31, 2020
<b>Net assets, beginning of period</b>	<b>\$ 104.02</b>	<b>\$ 104.12</b>	<b>\$ 100.00</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	6.22	9.67	10.27
Total expenses	(1.98)	(3.81)	(3.57)
Realized gain for the period	0.22	1.31	0.02
Unrealized loss for the period	(13.23)	(3.86)	2.70
<b>Total increase (decrease) in net assets from operations <sup>(2)</sup></b>	<b>(8.77)</b>	<b>3.31</b>	<b>9.42</b>
<b>Distributions:</b>			
From net income	(1.97)	(2.83)	(7.72)
From dividends	-	(0.68)	(0.65)
<b>Total Annual Distributions <sup>(2) (3)</sup></b>	<b>(1.97)</b>	<b>(3.51)</b>	<b>(8.37)</b>
<b>Net assets attributable to holders of redeemable units, end of period <sup>(3)</sup></b>	<b>\$ 93.46</b>	<b>\$ 104.02</b>	<b>\$ 104.14</b>
<b>Ratios and Supplemental Data</b>			
Total Net Asset Value <sup>(4)</sup>	\$ 12,118,981	\$ 12,638,565	\$ 4,498,807
Number of units outstanding <sup>(4)</sup>	129,673	121,500	43,198
Management expense ratio before reimbursements <sup>(5)</sup>	0.27%	0.40%	0.55%
Management expense ratio after reimbursements <sup>(5)</sup>	0.24%	0.31%	0.24%
Trading expense ratio <sup>(6)</sup>	3.85%	0.72%	0.82%
Portfolio turnover rate <sup>(7)</sup>	108.24%	262.44%	447.70%
<b>Net Asset Value per Unit</b>	<b>\$ 93.46</b>	<b>\$ 104.02</b>	<b>\$ 104.12</b>

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

---

### Financial Highlights (continued)

\*The percentages are annualized.

- (1) This information is derived from the Fund's interim unaudited financial statements and audited financial statements for the periods indicated.
- (2) Net assets and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets per unit from operations is based on the weighted average number of units outstanding over the period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
- (3) Distributions were paid in cash, reinvested in additional units of the Fund, or both.
- (4) This information is provided as at June 30, 2022, December 31, 2021, December 31, 2020 and December 31, 2019 as applicable.
- (5) The management expense ratio ("MER") is based on the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the stated period expressed as an annualized percentage of daily average net asset value during the period. The Manager in its discretion reimburses the Fund for certain operating expenses.
- (6) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs of the Fund expressed as an annualized percentage of daily average net asset value of the Fund during the period.
- (7) The Fund's portfolio turnover rate indicates how actively the portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to an investment fund buying and selling all of the securities in its portfolio once in the course of the fiscal year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by an investment fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of an investment fund. The portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period by the average market value of investments during the period.

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

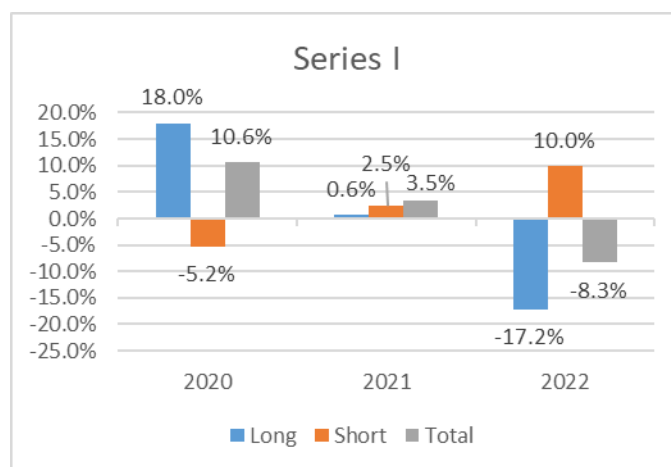
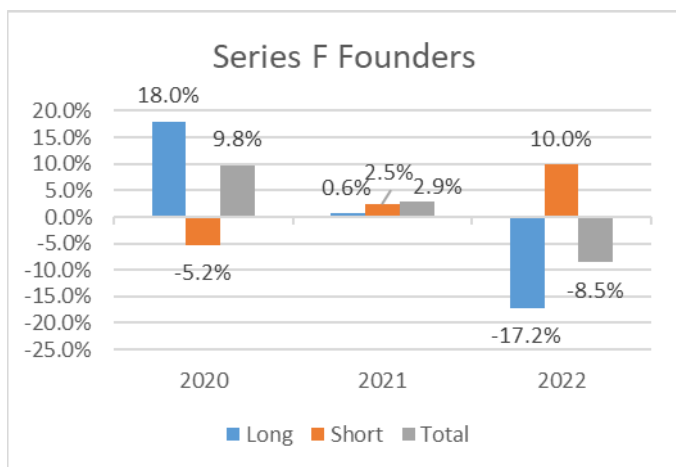
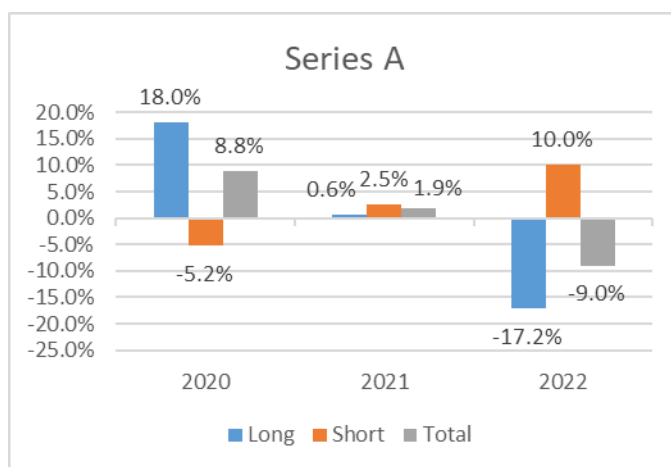
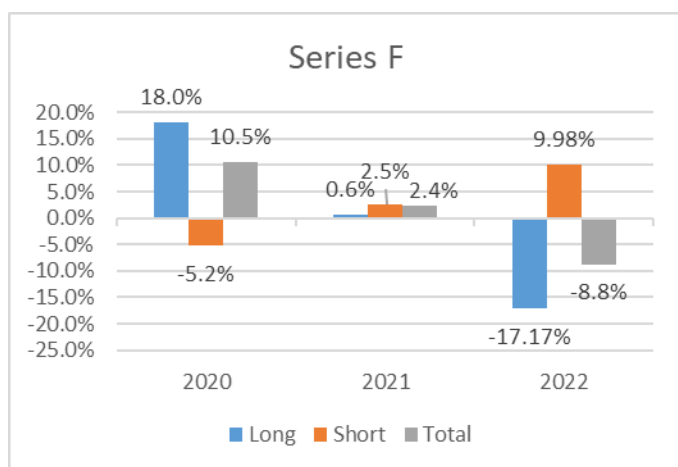
### Past Performance

The performance information provided is based on changes in net asset value and assumes reinvestment of all distributions into additional units of the Fund. The performance information does not take into account sale, redemption, distribution, or optional charges or income taxes payable by any unitholder that would have reduced returns. Past performance of the Fund does not necessarily indicate how it will perform in the future. As required under applicable securities regulation, the return of the Fund's long and short portfolio positions is shown in addition to the overall total return.

### Year-by-Year Returns

The following charts show the Fund's annual performance for the period ended June 30, 2022 and the years ended December 31, 2021 and December 31, 2020. The charts show, in percentage terms, how much an investment made on the first day of the year would have increased in value by the last day of the year.

For the period from commencement of operations on December 9, 2019 to December 31, 2019, the Fund did not make any investments and the assets were held entirely in cash deposited with the custodian. The Series F units of the Fund generated a total return of 0% for the period. There were no Series A, F Founders, or I units issued in 2019.



# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

### Summary of Investment Portfolio as at June 30, 2022

The following table shows selected key financial information about the Fund, and is intended to assist in the understanding of the Fund's financial performance for the period ended June 30, 2022. Please consult our website at [www.algonquincap.com](http://www.algonquincap.com).

Top 25 Holdings - Long	Percentage of Total Net Asset Value	Top 25 Holdings - Short	Percentage of Total Net Asset Value
Canadian Imperial Bank of Commerce	11.94%	Canadian Government Bond	-162.08%
Inter Pipeline Ltd.	9.69%	United States Treasury Note/Bond	-5.41%
Industrial Alliance Insurance & Financial Services Inc.	9.19%		
TransAlta Corp.	8.79%		
CI Financial Corp.	7.97%		
Allied Properties Real Estate Investment Trust	7.29%		
Rogers Communications Inc.	7.23%		
Shaw Communications Inc.	7.08%		
Equitable Bank	6.79%		
Chartwell Retirement Residences	6.76%		
Royal Bank of Canada	6.39%		
Choice Properties Real Estate Investment Trust	5.86%		
Bank of Montreal	5.52%		
Fairfax Financial Holdings Ltd.	5.26%		
The Goldman Sachs Group Inc.	4.95%		
National Bank of Canada	4.63%		
North West Redwater Partnership / NWR Financing	4.54%		
Canadian Western Bank	4.48%		
Daimler Trucks Finance Canada Inc.	4.41%		
TransCanada PipeLines Ltd.	4.01%		
Pembina Pipeline Corp.	4.00%		
Smart Real Estate Investment Trust	3.86%		
General Motors Financial of Canada Ltd.	3.86%		
Gibson Energy Inc.	3.78%		
Canadian Natural Resources Ltd.	3.57%		

# Algonquin Fixed Income 2.0 Fund

## INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

Period ended June 30, 2022

(Expressed in Canadian dollars)

### Summary of Investment Portfolio as at June 30, 2022 (continued)

<b>By Country/Region</b>	<b>Percentage of Total Net Asset Value</b>
Canadian securities owned	282.09%
U.S. securities owned	19.81%
Canadian securities sold short	-162.08%
U.S. securities sold short	-5.41%
Net Canadian securities owned	120.01%
Net U.S. securities owned	14.40%
	<b>134.41%</b>

<b>By Asset Type</b>	<b>Percentage of Total Net Asset Value</b>
Preferred shares	10.55%
Cash	-36.21%
Fixed income	123.86%
Other assets liabilities, net	1.80%

<b>By Industry</b>	<b>Percentage of Total Net Asset Value</b>
Basic Materials	1.83%
Communications	27.41%
Consumer, Cyclical	15.46%
Consumer, Non-cyclical	18.48%
Energy	44.83%
Financial	160.26%
Government	3.26%
Industrial	8.26%
Technology	1.56%
Utilities	20.55%
Total investments owned	301.90%
Government	-167.49%
Total investments sold short	-167.49%
Net investments owned	134.41%

<b>By Maturity</b>	<b>Percentage of Total Net Asset Value</b>
Long positions	
0 to 1 years	52.71%
1 to 2 years	40.61%
2 to 3 years	82.05%
3 to 5 years	67.68%
5 to 10 years	46.98%
10 or more years	11.87%
Total Fixed income securities owned	301.90%
Short positions	
0 to 1 years	-2.15%
1 to 2 years	-15.24%
2 to 3 years	-80.17%
3 to 5 years	-62.01%
5 to 10 years	-7.88%
10 or more years	-0.04%
Total Fixed income securities sold short	-167.49%

This page intentionally left blank