MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

BLOOM SELECT INCOME FUND

2020 ANNUAL REPORT

BLB.UN

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof, unless otherwise indicated, and we assume no obligation to update or revise them to reflect new events or circumstances.

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance for Bloom Select Income Fund (the "Fund") contains financial information but does not contain the audited annual financial statements of the Fund. The audited annual financial statements follow this report. You may obtain a copy of any of the Fund's annual or interim reports, at no cost, by calling 1-855-BLOOM18 (1-877-256-6618) or by sending a request to Unitholder Information, Bloom Investment Counsel, Inc., Suite 1710, 150 York Street, Toronto, Ontario, M5H 3S5, or by visiting our website at **www.bloomfunds.ca** or SEDAR at **www.sedar.com**. Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee's report, or quarterly portfolio disclosure.

In accordance with investment fund industry practice, all figures presented in this management report of fund performance, unless otherwise noted, are based on the Fund's calculation of its net asset value, which is in accordance with the terms of the Fund's declaration of trust and annual information form, and is based on closing market prices of investments. Figures presented in the financial statements and in the Financial Highlights section of this management report of fund performance are based on net assets calculated using International Financial Reporting Standards which require the use of a price between the last bid and ask prices for investment valuation, which may differ from the closing market price.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

THE FUND

Bloom Select Income Fund is a closed-end investment trust managed by Bloom Investment Counsel, Inc. ("Bloom" or the "Manager"). Bloom provides administrative services to the Fund and actively manages the Fund's portfolio. The units of the Fund trade on the Toronto Stock Exchange ("TSX") under the symbol BLB.UN. The units of the Fund are RRSP, DPSP, RRIF, RESP, RDSP and TFSA eligible. This Fund has a distribution reinvestment plan ("DRIP") allowing unitholders to automatically reinvest their monthly distributions in additional units of the Fund.

INVESTMENT OBJECTIVES AND STRATEGIES

The Fund's investment objectives are to provide unitholders with an investment in an actively managed portfolio comprised primarily of Canadian dividend paying equities (common shares, real estate investment trusts (REITs) and income trusts) that exhibit low volatility at the time of investment, monthly cash distributions that have a large component of Canadian eligible dividends, and the opportunity for capital appreciation.

RECENT DEVELOPMENTS

The ongoing spread of the novel coronavirus causing COVID-19 continues to negatively impact companies worldwide with the potential to have an adverse effect on global stock markets for an indeterminate length of time. This could affect the valuation of the Fund's investment portfolio and consequently the net asset value and net asset value per unit of the Fund. The negative effects on the Fund of this coronavirus and any other epidemics and pandemics that may arise in the future could be complex and cannot necessarily be foreseen at the present time. The Manager continues to monitor events as they unfold and has successfully implemented an enhanced business continuity plan to ensure the seamless operation of the Manager in its roles as manager and portfolio advisor of the Fund during a period of pandemic related lockdown. This plan has facilitated uninterrupted work and communication from home as well as the Manager's interaction with the Fund's various service providers.

INVESTMENT MANAGER

BLOOM
INVESTMENT COUNSEL, INC.

The manager was established in 1985 and specializes in the management of segregated investment portfolios for wealthy individuals, foundations, corporations, institutions and trusts. In addition to its conventional investment management business, the Manager currently manages specialty high-income equity portfolios comprised of dividend paying common equity securities, income trusts and REITs for four TSX listed closed end funds.

INVESTMENT MANAGER'S REPORT

JANUARY 4, 2021

Fund Performance

Throughout the year the market was focused on the impacts of the COVID 19 pandemic, with significant losses particularly in the first quarter. With the commencement of the fourth quarter came the renewed fear of a second wave of the virus and inevitable lock-downs across the country. However, as the year progressed, despite the reality on the "ground", the stock market continued to do what it does best: looking ahead and reacting to the positive news of a broader vaccine rollout in 2021. With continued government funding, we witnessed a continuation of investors putting their surplus cash to work helping to propel the Canadian market closing out the year higher than last year despite the remaining economic devastation.

The Fund received a particularly strong shot in the arm (excuse the pun) on the early November announcement of the success of the Pfizer-BioNTech vaccine. Value oriented stocks which we favour, which until that time had been largely underperforming growth stocks for the year, suddenly sprang to life and for the balance of the year provided excellent rates of return.

The Fund returned, net of fees and expenses, negative 3.6% for the year, outperforming the S&P/TSX High Dividend Total Return Index which returned negative 7.4%. For the year the Fund's performance lagged behind the S&P/TSX Composite Total Return Index, but during the last quarter of 2020 its return of 11.1% significantly outperformed this index. Positions in Boralex Inc., Northland Power Inc. and Intertape Polymer Group Inc. were the greatest contributors to performance in 2020 The sectors with the strongest performance for the Fund were Utilities, Industrials and Telecommunication Services.

The most recent measure of Active Share for Bloom Select Income Fund was a very high 81.1%. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. We believe this high Active Share gives the Fund a greater ability to take advantage of upside opportunities or protect against downside risk very distinctly in comparison to the great number of less active managers with performance that closely follows the benchmark.

Canadian Economy

The year 2020 for Canada, as for the rest of the world, brought several shocks to the economy. As the Canadian government implemented the first lock-down measures at the end of the first quarter of 2020 to try to flatten the curve of COVID-19 cases, Canadian real GDP experienced one of the worst contractions in its history, falling by 11.3%. However, we saw a recovery in the third quarter when real GDP grew 8.9% as the economy reopened with increases in housing investments, durable goods and exports. This was aided by continued government support to households as well as businesses affected by the pandemic.

The fourth quarter of 2020 saw an increase of 0.4% in real GDP from September to October and a prediction of a 0.4% gain in November from October. Overall, economic activity held up quite well in the first 2 months of the fourth quarter despite renewed restrictions in November and December. Many are optimistic about the future, comforted by the economy's resilience as demonstrated in October and November in addition to the commencement of the vaccine rollout.

The inflation rate in November was 1% year-over-year, an increase from 0.7% in October. Excluding gasoline, the reported rise in the Consumer Price Index was 1% in October and 1.3% in November. Transportation costs continued to decline with another 0.1% drop for the second consecutive month as gasoline prices fell 11.9% year-over-year in November, with reduced demand due to the tightening of public health restrictions in response to the second wave of COVID-19. Prices rose in most major categories year-over-year, with higher prices in Health and Personal Care as well as Recreational, Education and Reading leading the increase in November. There was an increase in consumer spending on household durable goods as the household savings rate declined in the last quarter of 2020 compared to the beginning of the pandemic. The lock-downs have found Canadians staying home and a resurgence of spending on household items such as home furnishings. Bank of Canada's core inflation measures remained unchanged and the inflation rate continues to be below 2%. The Bank will continue to keep monetary policy accommodative in its goal to bring inflation back up to 2% and remains committed to providing monetary policy stimulus to support household and business income through the second wave of COVID-19.

The unemployment rate hit a record high 13.7% in May 2020, and then steadily fell in the third and fourth quarters of 2020. In November, the unemployment rate fell 0.4% from October to 8.5%. From May to September 2020, employment grew by an average of 2.7% per month, followed by an increase of 0.5% in October and 0.3% in November. Full-time employment saw the biggest rise while part-time work saw little change, with more lost jobs in the fourth quarter of 2020. With the second wave of COVID-19 in the last few months of 2020, the number of Canadians working from home continued to rise in, with 4.6 million Canadians who worked at least half their usual hours working from home in November. The number of public sector workers exceeded the pre-Pandemic level of February by 1.6% in November 2020 driven by increases in hospitals and schools. Self-employed workers remained static in November, and was the sector furthest from its February pre-Pandemic level by a 4.7% drop in workers.

The House Price Index continued to show strong gains during 2020, registering the highest increase in sales for a single month in November in 22 years, up by 0.9% from October, which itself had shown a record gain for a single month in the Index. The November composite index was up 9.0% from a year earlier, led by five markets – Ottawa-Gatineau, Halifax, Hamilton, Montreal and Toronto. These markets have had historically persistent high home sales in combination with a low supply. The rise in sales in Toronto was concentrated outside downtown in ground-level dwellings, and showed a slowed increase in condominium sales. Condominium sales continue to be impacted by low immigration flows and high unemployment among young workers, or potential first-time home buyers.

Year-over-year, new house prices gained 4.6% in November 2020, the largest increase since April 2008. According to the Mortgage and Housing Corporation, housing starts in Canada were 183,407 between January and November 2020, a 1% increase from the same period last year, exceeding market forecasts. The Canadian Real Estate Association has reported a recovery of home sales volume in the third and fourth quarter of 2020, consistent with the strong rise of prices.

Canadian Investment Markets

The S&P/TSX Composite Total Return Index had a return of 9.0% in the fourth quarter and 5.6% for the year ending December 31, 2020. However, the S&P/TSX High Dividend Total Return Index had a return of 13.6% in the fourth quarter and negative 7.4% for the year.

The COVID-19 pandemic continues to cause uncertainty in the Canadian market. The three largest sectors making up more than 55% of the S&P/TSX Composite Index continue to be Financials, Materials and Industrials. The top three sectors with the largest gains in the chaotic year of 2020 were Information Technology, Materials and Consumer Discretionary.

The Canadian federal, provincial and municipal governments utilized many lockdown measures in 2020 to try and lower the infection rate of COVID-19. This saw an increase in Canadians working, shopping and doing as much as they could from the comfort of their homes. This trend drove the largely non-dividend paying Information Technology sector of the S&P/TSX Composite Index to be one of the largest gainers of the year. Shopify Inc. was one of the best performing stocks on the TSX returning more than 160% in 2020, surpassing Royal Bank of Canada as the largest publicly-traded company in Canada. Materials was also one of the top three gainers on the TSX. The surge in gold prices as well as an increase in demand and production of wood/lumber drove the increase in this sector.

Energy (-26.6%), Health Care (-23.0%) and Real Estate (-8.7%) were the three worst performing sectors on the TSX in 2020. It was a bad year for oil overall, as the pandemic hit in the second quarter of 2020, the demand for crude oil halted and prices decreased. Vermillion Energy was one of the biggest Canadian energy stock losers for the year. The Health Care sector was also greatly impacted with reports of dire COVID-19 situations in Canada's long term-term care facilities. The biggest health care stock loser for 2020 was Aurora Cannabis Inc. (-66.4%) as it cut jobs, closed down many of its facilities and slashed production and operations. As many businesses closed down, and Canadians worked from home, the Real Estate sector, in particular commercial real estate, suffered in 2020. Restaurants, gyms, offices and many other businesses were closed temporarily and some permanently, resulting in lost rent and property income, aiding the Real Estate sector in becoming one of the 3 worst performing sectors on the TSX in 2020.

The annual average exchange rate for 2020 was $1.34 CAD to the US dollar, representing a 1.1% increase in the value of the USD from 2019. At the beginning of the pandemic, the loonie saw a valuation of $1.45 to the USD in March, the lowest CAD evaluation since January 2016. The market closed on a high note this year on December 31, 2020 at $1.26 CAD to the USD, the highest evaluation of the loonie since May 2018.

Outlook

As we continue to navigate the market in this "new world", we have increased optimism with the start of the rollout of the current vaccines and promise of new vaccine candidates being approved. Despite this we remain cautiously optimistic with regards to the market as we believe a disconnect still exists between the strong performance in the stock market and the bleak reality of the Canadian economy in the short to medium term. Accordingly we expect to continue to trim those names which we believe reach levels that are ahead of their fundamental valuations and add names which we believe the market is undervaluing in a post COVID-19 vaccine world. We commence 2021 with renewed vigor and optimism for the year ahead.

RESULTS OF OPERATIONS

Distributions

During the year ended December 31, 2020 distributions totaled $0.50 per unit. The 2020 distribution reflects a monthly rate per unit of $0.041666, in accordance with the targeted distribution rate of 5% per annum on the subscription price of $10 per unit as disclosed in the Fund's Prospectus. Since inception on April 20, 2012 the Fund has paid total cash and reinvested distributions of $4.348606 per unit.

Increase in Net Assets from Operations

The Fund's net investment loss was $0.5 million ($0.30 per unit) for the year ended December 31, 2020, arising from average portfolio investments during the year of $10.9 million. The loss was comprised primarily of a negative $2.1 million net change in unrealized appreciation on investments for the year offset by $1.2 million in net realized gains on sales of investments during the year and $0.5 million dividend and distribution income.

Expenses were $0.4 million ($0.25 per unit) for the year, the major components being management fees of $178,220 and other administrative expenses of $80,998.

Net Asset Value

The net asset value per unit of the Fund was $9.05 at December 31, 2020, down by 9.1% from $9.96 at December 31, 2019. The aggregate net asset value of the Fund decreasedfrom $15.6 million at December 31, 2019 to $12.3 million as at December 31, 2020, primarily due to the net investment loss of $0.5 million, redemption of units of $1.7 million, cash distributions to unitholders of $0.7 million (net of reinvested distributions) and expenses of $0.4 million.

Liquidity

To provide liquidity for unitholders, units of the Fund are listed on the TSX under the symbol BLB.UN.

Investment Portfolio

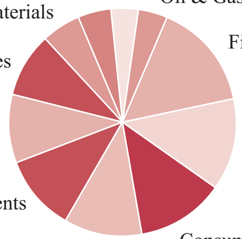
The Fund has established a portfolio comprised primarily of Canadian common equities, income trusts and REITs, each of which was selected to achieve the investment objectives of the Fund. The investment objectives of the Fund include the requirement that the Fund only invests in stocks with a Beta (measurement of volatility) of less than 1.0 at the time of purchase, which affects the selection of investments.

On a sector basis, the Industrials sector increased from 8.1% to 13.3% of the portfolio over the year, due to the purchase of a position in Morneau Sheppell Inc. and the strong performance of Intertape Polymer Inc. The Fund purchased positions in Rogers Communications Inc. and TELUS Corp during the year in the Telecommunication Services sector, a new sector for the Fund. The Fund sold its holdings in the Health Care sector during the year, with the sale of the Fund's position in Extendicare Inc. The Materials sector decreased from 8% to 5.5% of the portfolio due to a decline in the unit prices of Chemtrade Logistics Income Fund and Noranda Income Fund and the sale of part of the Fund's holding in Chemtrade Logistics Income Fund, offset by the purchase of a new position in Barrick Gold Corp. The Fund's investment in the Energy Infrastructure sector decreased from 12.1% to 9.7% due to the sale of part of the Fund's holdings in Enbridge Inc. and Keyera Corp. and a decline in share prices for all stocks in this sector held by the Fund.

The Fund had unrealized appreciation of $0.8 million in its portfolio as at December 31, 2020, with gains in most sectors, most notably the Utilities, Consumer Staples and Real Estate sectors, offset by significant unrealized losses in the Materials sector plus smaller unrealized losses in the Consumer Discretionary and Energy Infrastructure sectors.

The Fund had net realized gains on sales of investments of $1.2 million during the year ended December 31, 2020, the most significant gains being from the sale of part of the Fund's positions in Altus Group Ltd., Boralex Inc., Premium Brands Holdings Corporation and Northland Power Inc.

Portfolio Sectors



Sector	Value (thousands)	% of Total
Financials	$ 1,898	15.3%
Industrials	1,652	13.3%
Consumer Discretionary	1,523	12.3%
Real Estate	1,389	11.2%
Cash and cash equivalents	1,358	11.0%
Energy Infrastructure	1,200	9.7%
Utilities	1,144	9.2%
Materials	686	5.5%
Telecommunication Services	580	4.7%
Consumer Staples	484	3.9%
Oil & Gas Distribution	481	3.9%
Total	**$ 12,395**	**100.0%**

RISK

Risks associated with an investment in units of the Fund are discussed in the Fund's annual information form, which is available on the Fund's website at www.bloomfunds.ca or on SEDAR at www.sedar.com. Changes to the Fund which have affected certain of these risks are discussed below.

Current Cash Yield and Targeted Distributions

Based on current projections, the average total return required in order for the Fund to achieve its targeted monthly distributions to Unitholders is approximately 8.4%. The weighted average current cash yield on the Fund's equity portfolio was 4.2% as at December 31, 2020, and thus the Fund is required to generate more than expected in additional returns (for instance, capital gains and securities lending income) and/or to return capital in order for the Fund to achieve its targeted monthly distributions to Unitholders.

RELATED PARTY TRANSACTIONS

Related party transactions consist of administrative and investment management services provided by the Manager pursuant to the Fund's Declaration of Trust, and Fund expenses paid by the Manager and recharged to the Fund.

Administration and Investment Management Fees

Pursuant to the Fund's declaration of trust, the Manager provides investment management and administrative services to the Fund, for which it is paid an annual management fee.

The management fee is intended to compensate the Manager for providing portfolio advisory and certain administrative services to the Fund. During the year ended December 31, 2020, management fees amounted to $178,220.

Services received by the Fund in consideration of the management fee, as an approximate percentage of the management fee, comprise portfolio advisory services (70%) and administrative services (30%). Administrative services include: appointment and monitoring of service providers; administration related to the payment of fund expenses and the deposit of fund receipts; administrative services provided to the Independent Review Committee ("IRC"); review and filing of tax returns; preparation, dissemination and filing of annual and interim reports; maintenance of proxy voting records and the voting of proxies; preparation of quarterly portfolio summaries; regulatory reporting; and maintenance of the information on the Fund's website.

Other expenses recharged to the Fund

On an ongoing basis the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the year ended December 31, 2020 the Fund expensed IRC fees of $29,343, unitholder information costs of $8,661, legal fees of $232, filing fees of $1,035, wire service fees of $1,153 and premiums for insurance coverage for members of the IRC of $865, which were paid and recharged by the Manager.

The Fund pays for all other ordinary expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the IRC, expenses related to compliance with National Instrument ("NI") 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund may incur and all amounts paid on account of indebtedness.

INDEPENDENT REVIEW COMMITTEE

Prior to the Fund's launch, the IRC for the Fund was established pursuant to NI 81-107 and became operational. The IRC provides independent oversight regarding actual and perceived conflicts of interest involving the Fund and performs all other functions required of an independent review committee under NI 81-107. Costs and expenses, including the remuneration of IRC members, the costs of legal and other advisors to, and legal and other services for, IRC members, and insurance costs, are chargeable to the Fund. As at December 31, 2020 the IRC consisted of three members, all of whom are independent of the Manager.

The Manager has received three standing instructions from the IRC with respect to related party transactions:

Allocation of Fund Expenses and Charging Expenses of Related Entities to the Funds

The standing instruction requires that the Manager follow its policy regarding the charging of expenses of related parties to the Fund, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager reports any instances of reliance on the standing instruction to the IRC and the IRC reviews the transactions to confirm compliance with the standing instruction. The Manager relies on the standing instruction on an ongoing basis in charging to the Fund expenses which are payable by the Fund as per the Fund's declaration of trust and annual information form, but which have been paid by the Manager. These expense charges are measured on an accrual basis at the monetary value of the expenses incurred.

The Decision to Re-open a Fund

The standing instruction requires that the Manager follow its policy and procedures concerning fund re-openings, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager will report any instances of reliance on the standing instruction to the IRC, but has not yet relied on this standing instruction.

Redemption of Units Held or Controlled by Access Persons

The standing instruction requires that the Manager follow its policy and procedures concerning the redemption of units held or controlled by Access Persons of the Manager, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. Access Persons include employees, their spouses, life partners, and family members (including minor and adult children) sharing a home with an employee, as well as any others for whose accounts the employee can exercise control. The Manager will report any instances of reliance on the standing instruction to the IRC, but has not yet relied on this standing instruction.

2020 TAX INFORMATION

The following information is applicable to unitholders who, for the purpose of the Income Tax Act (Canada), are resident in Canada and hold shares as capital property outside of an RRSP, DPSP, RRIF, RESP or TFSA. Unitholders should receive a T3 slip from their investment dealer providing this information. T3 supplementary slips for holdings of the Fund will indicate Other Income (Investment Income and Non-Investment Income) in Box 26, Foreign Non-Business Income in Box 25, Capital Gains in Box 21 and Eligible Dividend Income in Box 49. Dividend income is subject to the standard gross-up and federal dividend tax credit rules. The Return of Capital component is a non-taxable amount that serves to reduce the adjusted cost base of Fund units and is reported on the T3 supplementary slips in Box 42.

The following table outlines the breakdown of the Fund's distributions declared in 2020 on a per unit basis.

Record Date	Payment Date	Income	Return of Capital	Total Distribution
Jan. 31, 2020	Feb. 18, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Feb. 28, 2020	Mar. 16, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Mar. 31, 2020	Apr. 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Apr. 30, 2020	May 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
May 29, 2020	Jun. 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Jun. 30, 2020	Jul. 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Jul. 31, 2020	Aug. 17, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Aug. 31, 2020	Sep. 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Sep. 30, 2020	Oct. 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Oct. 30, 2020	Nov. 16, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Nov. 30, 2020	Dec. 15, 2020	$ 0.001660	$ 0.040006	$ 0.041666
Dec. 31, 2020	Jan. 15, 2021	$ 0.001660	$ 0.040014	$ 0.041674
Total		**$ 0.019922**	**$ 0.480078**	**$ 0.500000**

This information is of a general nature only and does not constitute legal or tax advice to any particular investor. Accordingly, investors are advised to consult their own tax advisors with respect to their individual circumstances.

PAST PERFORMANCE

The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on net asset value per unit and assumes that distributions made by the Fund in the period were reinvested at net asset value per unit in additional units of the Fund.

All past performance for periods prior to the Fund's merger with Bloom Income & Growth Canadian Fund on October 23, 2015 are for the Fund only.

Annual Compound Returns

The following table shows the Fund's annual compound return for the one, three and five years ended December 31, 2020 and the period since inception, compared with the S&P/TSX Composite Total Return Index ("TR Index") and the S&P/TSX Composite High Dividend Total Return Index ("HD Index"). The TR Index tracks the performance, on a market weight basis and a total return basis, of a broad index of large-capitalization issuers listed on the TSX, including common equities, REITs and income trusts, and is an appropriate broad-based securities benchmark as the Fund invests in such common equities, REITs and income trusts. The HD Index is a more narrowly-based strategy index consisting of 50 to 75 stocks selected from the S&P/TSX Composite Index focusing on dividend income, and is included as it reflects the Fund's strategy of investing in dividend paying stocks.

Since the Fund is actively managed, the sector weightings differ from those of the TR Index and the HD Index (together, the "Indices"). The Fund's portfolio contains predominantly high dividend paying securities, whereas the TR Index does not necessarily focus on this type of investment. Also, the Fund invests in stocks displaying low volatility at the time of purchase, whereas neither of the Indices focus on low volatility stocks. As well, the Fund may invest in issuers that are not included in the Indices. For these reasons it is not expected that the Fund's performance will mirror that of the Indices. Further, the Indices are calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

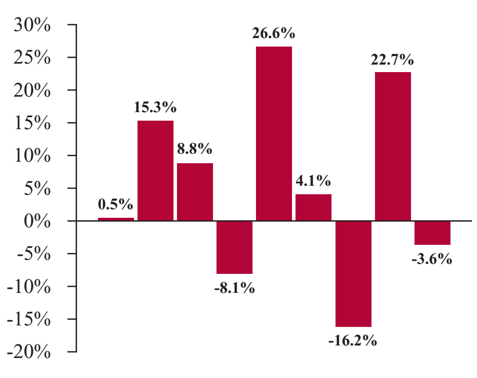
	One year	Three years	Five years	Since inception(1)
Bloom Select Income Fund (net of fees and expenses)	-3.6%	-0.3%	5.5%	4.9%
S&P/TSX Composite Total Return Index	5.6%	5.7%	9.3%	7.5%
S&P/TSX Composite High Dividend Total Return Index	-7.4%	1.3%	7.5%	5.3%

(1) Period from April 20, 2012 (commencement of operations) to December 31, 2020

During the one year period ended December 31, 2020, the Fund outperformed the HD Index but underperformed the TR Index, after taking into consideration the expenses of the Fund. For the three and five years ended December 31, 2020 and for the period since inception, the Fund underperformed both Indices, after taking into account the expenses of the Fund. In addition to the effect of the deduction of management fees and expenses inherent in the Fund's performance figures, this reflects differences in individual portfolio selections between the Fund's portfolio and the Index within each of the sectors, which result in different average sector returns. It may also reflect the differences in average sector weightings between the Fund's portfolio and the Index over these periods.

Year-by-Year Returns

The bar chart shows the Fund's performance for each fiscal period since inception. It shows, in percentage terms, how an investment held on the first day of the fiscal period would have changed by the last day of the fiscal period.



(1) Period from April 20, 2012 (commencement of operations) to December 31, 2012
(2) Year from January 1 to December 31 of the year indicated

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. *The information in the following tables is presented in accordance with NI 81-106 and, as a result, does not act as a continuity of opening and closing net assets per unit, because the increase in Net Assets from operations is based on weighted average units outstanding during the period, and all other numbers are based on actual units outstanding at the relevant point in time.*

Net Assets Per Unit(1)

	Year ended December 31, 2020	Year ended December 31, 2019	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
Net assets per unit, beginning of period(2)	$ 9.96	$ 8.55	$ 10.74	$ 10.81	$ 8.98
Increase from operations:(2)					
Total revenue	0.32	0.38	0.41	0.42	0.43
Total expenses	(0.25)	(0.25)	(0.24)	(0.23)	(0.22)
Net realized gains (losses)	0.77	(0.59)	0.70	0.40	1.19
Net unrealized gains (losses)	(1.39)	2.34	(2.48)	(0.18)	0.89
Total increase in net assets from operations	$ (0.55)	$ 1.88	$ (1.61)	$ 0.41	$ 2.29
Distributions to unitholders(2)(3)					
From net investment income	(0.02)	(0.07)	(0.12)	(0.03)	–
From return of capital	(0.48)	(0.43)	(0.38)	(0.47)	(0.50)
Total distributions to unitholders	$ (0.50)	$ (0.50)	$ (0.50)	$ (0.50)	$ (0.50)
Net assets per unit, end of period(2)	$ 9.05	$ 9.96	$ 8.55	$ 10.74	$ 10.81

(1) This information is derived from the Fund's financial statements, to which International Financial Reporting Standards apply.
(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase in net assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.
(3) $72,303 (2019: $69,426; 2018: $72,515; 2017: $94,184; 2016: $112,769) of distributions were reinvested in units under the Fund's distribution reinvestment plan. The remainder of the distributions were paid in cash.

Ratios and Supplemental Data

For the year ended December 31	2020	2019	2018	2017	2016
Net asset value (000s) (1)	$ 12,313	$ 15,581	$ 14,496	$ 21,537	$ 25,807
Number of units outstanding (1)	1,360,130	1,564,031	1,694,719	2,004,625	2,386,883
Management expense ratio (“MER”) (2)	2.82%	2.61%	2.33%	2.08%	2.16%
Trading expense ratio (3)	0.06%	0.04%	0.04%	0.05%	0.09%
Portfolio turnover rate (4)	17.78%	9.64%	6.94%	11.72%	15.07%
Net asset value per Unit (1)	$ 9.05	$ 9.96	$ 8.55	$ 10.74	$ 10.81
Closing market price (1)	$ 8.71	$ 9.51	$ 8.39	$ 10.40	$ 10.20

(1) As at December 31 of the year shown
(2) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the period. Total expenses are expressed as an annualized percentage of the average net asset value during the period.
(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average Net Asset Value of the Fund during the period.
(4) The Fund’s portfolio turnover rate indicates how actively the Manager manages the Fund’s portfolio investments (i.e. how often the Fund’s portfolio investments are bought and sold). A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund’s portfolio turnover rate in a year, the greater the trading costs payable by the 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 the Fund. 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, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

Management Expense Ratio

The MER of the Fund was 2.82% for the year ended December 31, 2020, up from an MER of 2.61% in the year ended December 31, 2019. The increase is primarily due to the decrease in average net asset value through the annual redemption of units and declines in market values of investments which, when paired with fixed costs, caused the MER to increase.

SUMMARY OF INVESTMENT PORTFOLIO

As at December 31, 2020

Total Net Assets (including Cash, Short Term Investments and Other Net Assets)	$12,313,423

Portfolio Composition	% of Portfolio	% of Total Net Assets
Financials	15.3%	15.4%
Industrials	13.3%	13.4%
Consumer Discretionary	12.3%	12.4%
Real Estate	11.2%	11.3%
Cash and cash equivalents	11.0%	11.0%
Energy Infrastructure	9.7%	9.8%
Utilities	9.2%	9.3%
Materials	5.5%	5.6%
Telecommunication Services	4.7%	4.7%
Consumer Staples	3.9%	3.9%
Oil & Gas Distribution	3.9%	3.9%
Total Investment Portfolio	100.0%	100.7%
Other Non-Debt Net Assets (Liabilities)		(0.7%)
Total Net Assets		100.0%

Top 25 Holdings	% of Portfolio	% of Total Net Assets
Cash and Cash Equivalents	11.0%	11.0%
Transcontinental Inc. Class A	7.6%	7.6%
Intertape Polymer Group Inc.	5.8%	5.8%
Superior Plus Corp.	5.6%	5.6%
Boralex Inc.	5.0%	5.0%
Bank of Nova Scotia	4.5%	4.5%
Northland Power Inc.	4.2%	4.3%
Premium Brands Holdings Corporation	3.9%	3.9%
Parkland Corporation	3.9%	3.9%
Manulife Financial Corporation	3.9%	3.9%
TD Bank Group	3.7%	3.7%
Enbridge Inc.	3.5%	3.5%
Park Lawn Corporation	3.4%	3.4%
Sun Life Financial Inc.	3.3%	3.3%
Keyera Corp.	3.3%	3.3%
Canadian Apartment Properties Real Estate Income Trust	3.0%	3.0%
Choice Properties Real Estate Income Trust	3.0%	3.0%
Gibson Energy Inc.	2.9%	3.0%
Allied Properties REIT	2.8%	2.8%
TELUS Corporation	2.5%	2.5%
Noranda Income Fund Class A	2.5%	2.5%
Altus Group Limited	2.4%	2.4%
Rogers Communications Inc. Class B	2.2%	2.2%
Chemtrade Logistics Income Fund	2.1%	2.1%
Morneau Shepell Inc.	2.0%	2.0%

The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available on the Fund's website at ***www.bloomfunds.ca*** *within 60 days of each quarter end.*

MANAGEMENT RESPONSIBILITY STATEMENT

The financial statements of Bloom Select Income Fund (the “Fund”) have been prepared by Bloom Investment Counsel, Inc. (the “Manager” of the Fund) and approved by the Board of Directors of the Manager. The Manager is responsible for the information and representations contained in these financial statements and the other sections of the annual report.

The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. The significant accounting policies applicable to the Fund are described in note 3 to the financial statements.

The Board of Directors of the Manager is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

The Manager, with the approval of its Board of Directors, has appointed the external firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants as the auditor of the Fund. They have audited the financial statements of the Fund in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements. The auditor has had full and unrestricted access to the Board of Directors to discuss their findings.

Signed

M. Paul Bloom
President and Chief Executive Officer
Bloom Investment Counsel, Inc.

Signed

Fiona E. Mitra
Chief Financial Officer
Bloom Investment Counsel, Inc.

March 8, 2021

INDEPENDENT AUDITOR'S REPORT

To the Unitholders and Trustee of Bloom Select Income Fund (the Fund)

Our opinion
In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Fund's financial statements comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of comprehensive income for the years then ended;
- the statements of changes in net assets for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information
Management is responsible for the other information. The other information comprises the Management Report of Fund Performance and the information, other than the financial statements and our auditor's report thereon, included in the 2020 Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jennifer Kelenc.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario

March 8, 2021

STATEMENTS OF FINANCIAL POSITION

As at	**December 31, 2020**	December 31, 2019
Assets		
Current assets		
Investments at fair value	**$ 11,036,536**	$ 13,751,916
Cash and cash equivalents (note 5)	**1,358,018**	1,913,702
Dividends and distributions receivable	**35,979**	45,907
Prepaid expenses and other assets (note 10)	**12,420**	15,978
Total assets	**12,442,953**	15,727,503
Liabilities		
Current liabilities		
Distributions payable to unitholders	**56,682**	65,179
Accrued liabilities (note 10)	**72,848**	81,667
Total liabilities	**129,530**	146,846
Unitholders' equity (note 6)		
Unitholders' capital	**8,166,264**	10,121,992
Retained earnings	**4,147,159**	5,458,665
Net assets representing unitholders' equity	**$ 12,313,423**	$ 15,580,657
Net assets per unit	**$ 9.05**	$ 9.96

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended	**December 31, 2020**	December 31, 2019
Income		
Net gain (loss) on investments		
Dividend and distribution income	**$ 475,092**	$ 598,510
Interest for distribution purposes	**15,098**	30,659
Net realized gain (loss) on sale of investments	**1,175,820**	(984,735)
Net change in unrealized appreciation or depreciation on investments	**(2,136,208)**	3,924,868
Total net (loss) gain on investments	**(470,198)**	3,569,302
Other income		
Securities lending income (note 12)	**384**	2,196
Total other income	**384**	2,196
Total (loss) income	**(469,814)**	3,571,498
Expenses (note 9)		
Management fees (note 10)	**178,220**	216,778
Audit fees	**28,945**	28,931
Independent Review Committee fees (note 10)	**29,343**	27,442
Unitholder reporting costs (note 10)	**30,346**	25,946
Custody fees	**13,428**	9,682
Portfolio transaction costs (note 11)	**7,665**	7,131
Legal fees (note 10)	**6,908**	4,423
Other administrative expenses (note 10)	**80,998**	101,011
Total expenses	**375,853**	421,344
Increase (decrease) in net assets from operations	**$ (845,667)**	$ 3,150,154
Weighted average units outstanding during the year	**1,531,087**	1,674,647
Increase (Decrease) in net assets from operations per unit (note 3(i))	**$ (0.55)**	$ 1.88

STATEMENTS OF CHANGES IN NET ASSETS

For the years ended December 31, 2020 and 2019	**Unitholders' capital**	**Retained earnings**	**Total**
Balance at January 1, 2019	$ 11,670,689	$ 2,825,320	$ 14,496,009
Increase in net assets from operations	–	3,150,154	3,150,154
Distributions to unitholders from income	–	(122,051)	(122,051)
Distributions to unitholders from return of capital	(710,066)	–	(710,066)
Reinvestment of distributions	69,426	–	69,426
Redemptions of units	(908,057)	(394,758)	(1,302,815)
Balance at December 31, 2019	$ 10,121,992	$ 5,458,665	$ 15,580,657
Decrease in net assets from operations	**–**	**(845,667)**	**(845,667)**
Distributions to unitholders from income	**–**	**(30,191)**	**(30,191)**
Distributions to unitholders from return of capital	**(727,535)**	**–**	**(727,535)**
Reinvestment of distributions	**72,303**	**–**	**72,303**
Redemptions of units	**(1,300,496)**	**(435,648)**	**(1,736,144)**
Balance at December 31, 2020	**$ 8,166,264**	**$ 4,147,159**	**$ 12,313,423**

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the years ended	**December 31, 2020**	December 31, 2019
Cash flows from operating activities		
Increase (decrease) in net assets from operations	**$ (845,667)**	$ 3,150,154
Adjustment for:		
Net realized (gain) loss on sale of investments	**(1,175,820)**	984,735
Net change in unrealized appreciation or depreciation on investments	**2,136,208**	(3,924,868)
Decrease in dividends and distributions receivable	**9,928**	16,945
Decrease (Increase) in prepaid expenses and other assets	**3,558**	(1,744)
Decrease in accrued liabilities	**(8,819)**	(3,255)
Operating cash flows:		
Purchases of investments	**(1,940,421)**	(1,329,628)
Proceeds from sale of investments	**3,678,143**	3,498,454
Return of capital received	**16,623**	20,386
Capital gains distributions received	**647**	2,199
Net cash from operating activities	**1,874,380**	2,413,378
Cash flows used in financing activities		
Redemptions of redeemable units	**(1,736,144)**	(1,302,815)
Distributions paid to holders of redeemable units, net of reinvestments	**(693,920)**	(768,138)
Net cash used in financing activities	**(2,430,064)**	(2,070,953)
Net increase (decrease) in cash and cash equivalents	**(555,684)**	342,425
Cash and cash equivalents at beginning of year (note 5)	**1,913,702**	1,571,277
Cash and cash equivalents at end of year (note 5)	**$ 1,358,018**	$ 1,913,702
Interest received	**$ 16,876**	$ 29,810
Dividends and distributions received	**$ 485,020**	$ 615,455

The accompanying notes are an integral part of these financial statements

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2020		Cost	Fair Value
No. of Units/ Shares			
	Canadian Equities		
	Consumer Discretionary		
17,700	Cineplex Inc.	$ 750,831	$ 164,079
15,100	Park Lawn Corporation	332,780	421,894
45,700	Transcontinental Inc. Class 'A'	728,407	937,307
		1,812,018	**1,523,280**
	Consumer Staples		
4,800	Premium Brands Holdings Corporation	83,935	483,504
		83,935	**483,504**
	Energy Infrastructure		
10,600	Enbridge Inc.	476,596	431,526
17,700	Gibson Energy Inc.	345,722	363,912
17,900	Keyera Corp.	539,827	404,898
		1,362,145	**1,200,336**
	Financials		
8,100	Bank of Nova Scotia	458,382	557,280
21,200	Manulife Financial Corporation	530,958	480,180
7,200	Sun Life Financial Inc.	281,988	407,520
6,300	TD Bank Group	270,308	453,096
		1,541,636	**1,898,076**
	Industrials		
29,500	Intertape Polymer Group Inc.	562,757	712,130
8,000	Morneau Shepell Inc.	252,325	248,240
56,800	Superior Plus Corp.	519,218	691,824
		1,334,300	**1,652,194**
	Materials		
4,100	Barrick Gold Corp.	143,672	118,900
45,200	Chemtrade Logistics Income Fund	638,927	263,516
270,800	Noranda Income Fund Class 'A'	1,098,625	303,296
		1,881,224	**685,712**
	Oil & Gas Distribution		
11,900	Parkland Corp.	308,461	480,641
		308,461	**480,641**
	Real Estate		
9,200	Allied Properties REIT	238,689	348,036
6,000	Altus Group Ltd.	45,233	294,840
7,500	Canadian Apartment Properties REIT	365,003	374,925
28,500	Choice Properties REIT	351,548	370,785
		1,000,473	**1,388,586**
	Telecommunication Services		
4,600	Rogers Communications Inc., Class 'B'	278,563	272,596
12,200	TELUS Corp.	308,754	307,562
		587,317	**580,158**
	Utilities		
13,100	Boralex Inc.	192,961	618,844
11,500	Northland Power Inc.	192,393	525,205
		385,354	**1,144,049**
	Total Canadian equities	**$ 10,296,863**	**$ 11,036,536**
	Embedded broker commissions	**(14,295)**	
	Total investments	**$ 10,282,568**	**$ 11,036,536**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

1. GENERAL INFORMATION

Bloom Select Income Fund (the "Fund") is a closed-end investment trust established under the laws of the province of Ontario pursuant to a declaration of trust dated March 22, 2012. The declaration of trust was amended and restated as of October 23, 2015 at the time of the Fund's merger with Bloom Income & Growth Canadian Fund. The Fund is listed on the Toronto Stock Exchange ("TSX") under the symbol BLB.UN and commenced operations on April 20, 2012. The address of the Fund's principal place of business is 150 York Street, Toronto, Ontario. The Fund invests in equity securities of Canadian companies. The financial statements are presented in Canadian dollars.

The Fund's investment objectives are to provide unitholders with an investment in an actively managed portfolio comprised primarily of Canadian equities (common shares, real estate investment trusts (REITs) and income trusts) that exhibit low volatility at the time of investment, monthly cash distributions that have a large component of Canadian eligible dividends, and the opportunity for capital appreciation.

The manager and trustee of the Fund is Bloom Investment Counsel, Inc. (the "Manager"). CIBC Mellon Trust Company is the custodian of the Fund and CIBC Mellon Global Securities Services Company is the administrator of the Fund.

These financial statements were authorized for issue by the Manager on March 8, 2021.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss ("FVTPL"). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's significant accounting policies. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Fund's financial instruments include, where applicable, investments, cash and cash equivalents, dividends and distributions receivable, receivable for investments sold, payable for investments purchased, distributions payable to unitholders, accrued liabilities, and redemptions payable.

The Fund recognizes, classifies and measures financial instruments in accordance with IFRS 9. IFRS 9 requires financial instruments to be recognized initially at their fair value and then classified subsequently as measured at amortized cost, measured at fair value with changes in fair value taken through other comprehensive income or measured at fair value with changes in fair value recognized in profit and loss ("FVTPL") based on the Fund's business model for managing financial assets in accordance with the Fund's documented investment strategy and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment.

The Fund recognizes financial instruments at fair value, plus transaction costs in the case of financial instruments measured at amortized cost, upon initial recognition. Purchases and sales of financial instruments are recognized on their respective trade dates.

The Fund's investments are measured at FVTPL. All other financial instruments are measured at amortized cost (which is the amount to be received or paid, discounted where appropriate at the contract's effective interest rate). Amortization and changes in fair value are recognized in the Statements of Comprehensive Income.

b) Fair value measurement

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets traded in active markets (which includes the Fund's investments) is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for investment valuation where that price falls between the latest bid and ask prices. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 (continued)

The Fund classifies fair value measurements within a hierarchy as described in note 14. The Fund recognizes transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

c) Impairment of financial assets at amortized cost

At each reporting date, the Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Fund recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

d) Derecognition of financial assets and liabilities

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership are transferred, or in which these risks and rewards are neither transferred nor retained but the Fund does not retain control of the asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is included in the Statements of Comprehensive Income. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Fund may enter into securities lending transactions in which it lends investments to counterparties, but since the Fund retains all of the risks and rewards of ownership, the investments are not derecognized. Any collateral pledged by the counterparty to a securities lending transactions is not recognized as the Fund does not accept the risks and rewards of ownership of that collateral. The Fund's participation in securities lending has been suspended and may be reactivated by the Manager at any time (note 12).

e) Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Fund has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, e.g. for gains and losses arising from a group of similar transactions, such as realized gains and losses on investments.

f) Cash and cash equivalents

Cash and cash equivalents consist of deposits with financial institutions and short-term debt instruments with maturities of less than three months from the date of acquisition that are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

g) Investment transactions and income recognition

Investment transactions are recorded on the trade date. Dividend and distribution income are recognized when the right to receive payment is established, which is generally on the ex-dividend or ex-distribution date. Interest for distribution purposes shown in the Statements of Comprehensive Income represents coupon interest received by the Fund and is recognized on a time-proportionate basis. Interest income includes interest from cash and cash equivalents. Realized and unrealized gains and losses from investment transactions are calculated on an average cost basis.

h) Foreign exchange

The functional and presentation currency of the Fund is the Canadian dollar. Amounts received by the Fund on an offering of its units and amounts payable on redemption are received or paid in Canadian dollars. Any currency other than the Canadian dollar represents foreign currency to the Fund. Purchases and sales of investments in foreign currencies are translated into the Fund's functional currency using the exchange rate prevailing on the trade date. Income on foreign investments is translated at the prevailing exchange rate on the transaction date. The quoted fair value of investments and other assets and liabilities denominated in foreign currencies is translated at the period-end exchange rate.

i) Increase (decrease) in net assets from operations per unit

Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations for the period divided by the weighted average number of units outstanding during the period.

j) Distributions

Income and net realized capital gains (reduced by loss carryforwards, if any) earned by the Fund are distributed to unitholders through a regular monthly distribution. Any excess income and net realized capital gains not so distributed

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 (continued)

during the year are distributed in December of each year to unitholders. Any excess of regular monthly distributions over actual income and net realized capital gains is characterized as a return of capital. Any distributable net realized capital gains in a year may be allocated for tax purposes to redeeming unitholders in that year, as permitted by the Fund's declaration of trust.

k) Portfolio transaction costs

Commissions and other portfolio transaction costs on purchases and sales of investments are expensed and are included in 'Portfolio transaction costs' in the Statements of Comprehensive Income. 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.

l) Classification of redeemable units

The Manager is required by IAS 32, *Financial Instruments: Presentation* ("IAS 32") to assess whether the redeemable units represent a liability of the Fund or equity of the Fund. The Fund does not have any obligation, other than on redemption of the units, to deliver cash or other financial instruments to the unitholders, since the Fund may pay its regular monthly distributions and any distributions it is required by its Declaration of Trust to make sure that it does not become liable for income tax, in units rather than cash. Total expected cash flows attributable to the units over their lives are based substantially on net income, the change in net assets or the change in the fair value of assets over that time. As a result of these facts, the redeemable units meet the criteria of IAS 32 to be classified as equity.

m) Net assets per unit

The net assets per unit is calculated by dividing the net assets representing unitholders' equity by the total number of units outstanding at the end of the period.

4. TAXATION

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and accordingly is subject to income tax on its income, including net realized capital gains, which is not paid or payable to the Fund's unitholders, less any income that can be retained by the use of tax credits available to the Fund. The Fund's taxation year end is December 31. No provision for income taxes has been recorded in the accompanying financial statements as the Fund has determined that it is in substance not taxable since all net income and net realized capital gains of the Fund for the year are distributed to the unitholders to the extent necessary to reduce income taxes payable to nil.

Since the Fund does not record income taxes, the tax assets or liabilities related to capital and non-capital losses and other temporary differences have not been reflected in the Statements of Financial Position as a deferred income tax asset or liabilities.

Non-capital loss carry forwards may be applied against future years' taxable income, and may be carried forward for 20 years from the year in which they are realized. As at December 31, 2020, the Fund had no non-capital losses carried forward (December 31, 2019 – nil). Capital losses incurred by the Fund may be carried forward indefinitely to apply against capital gains realized in future years. As at December 31, 2020, the Fund had $830,910 capital losses available for carryforward (December 31, 2019 – $1,924,829).

5. CASH AND CASH EQUIVALENTS

The Fund's cash and cash equivalents as at December 31, 2020 and 2019 comprised the following:

	December 31, 2020	December 31, 2019
Cash	**108,369**	140,632
Cash equivalents	**1,249,649**	1,773,070
	1,358,018	1,913,702

Cash equivalents at December 31, 2020 comprised:

Type	**Issuer**	**DBRS, credit rating of issuer**	**Par Value $**	**Maturity Date**	**Coupon**	**Fair value $**
Banker's acceptance	Royal Bank of Canada	AA/R-1/Stable	650,000	February 12, 2021	0.23%	649,829
Banker's acceptance	TD Bank Group	AA/R-1/Stable	600,000	February 16, 2021	0.24%	599,820

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 (continued)

Cash equivalents at December 31, 2019 comprised:

Type	Issuer	DBRS, credit rating of issuer	Par Value $	Maturity Date	Coupon	Fair value $
Banker's acceptance	TD Bank Group	AA/R-1/Stable	1,400,000	March 6, 2020	1.87%	1,395,357
Banker's acceptance	TD Bank Group	AA/R-1/Stable	380,000	April 29, 2020	1.86%	377,713

6. UNITHOLDERS' EQUITY

The Fund is authorized to issue an unlimited number of a single class of transferable and redeemable units each of which represents an equal, undivided interest in the Net Asset Value ("NAV") of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund.

Units may be surrendered for redemption annually at the option of the unitholder during the period from September 15 until 5.00 p.m. (Toronto time) on the last business day in September, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption will be redeemed on the second last business day in October of each year (the Annual Redemption Date) and the redeeming unitholder will receive a redemption price per unit equal to 100% of the NAV per unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption. For the purpose of calculating the NAV used in connection with the redemption of units, the value of the securities held by the Fund will be equal to the weighted average trading price of such securities over the last three business days preceding the Annual Redemption Date.

If a significant number of units are redeemed, the trading liquidity of the units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer units resulting in a potentially lower distribution per unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the unitholders to do so. The Manager may also suspend the redemption of units in certain circumstances.

The 2020 annual redemption took place on October 29, 2020 and consisted of 212,444 units for redemption proceeds of $1,736,144 payable on November 19, 2020.

Unit transactions of the Fund for the years ended December 31, 2020 and 2019 were as follows:

	December 31, 2020	December 31, 2019
Units outstanding at beginning of year	**1,564,031**	1,694,719
Reinvestment of distributions	**8,543**	7,398
Redemption of units	**(212,444)**	(138,086)
Units outstanding at end of year	**1,360,130**	1,564,031

The closing market price of the Fund's units on December 31, 2020 was $8.71 (December 31, 2019: $9.51).

7. CAPITAL MANAGEMENT

For operating purposes, redeemable units issued and outstanding are considered to be the capital of the Fund. As at December 31, 2020 the Fund's capital therefore comprised net assets of $12,313,423 (December 31, 2019 – $15,580,657). The Fund's objectives in managing its capital are to provide unitholders with monthly cash distributions and the opportunity to participate in gains in the value of the investment portfolio. The Fund manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, increase or decrease its level of borrowing if applicable, or purchase units for cancellation.

8. DISTRIBUTIONS TO UNITHOLDERS

Distributions, as declared on the Fund's behalf by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month, payable by the fifteenth business day of the following month. For the year ended, December 31, 2020, the Fund declared total distributions of $ 0.50 (2019 – $0.50) per unit, which amounted to $757,726 (2019 – $ 832,117). Under the Fund's distribution reinvestment plan ("DRIP"), unitholders may elect to reinvest monthly distributions in additional units of the Fund which are issued from treasury. In the year ended December 31, 2020, distributions of $72,303 were reinvested in 8,543 units of the Fund which were issued from treasury (year ended December 31, 2019 – distributions of $69,426 were reinvested in 7,398 units of the Fund which were issued from treasury).

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 (continued)

In conjunction with the annual redemption described in note 6, the Fund made no distributions of capital gains to redeeming unitholders (2019 – nil).

9. EXPENSES

Management fees and other reasonable expenses incurred in the operations of the Fund are charged as expenses in the Statements of Comprehensive Income of the Fund, and include expenses paid by the Manager on behalf of the Fund and subsequently recharged to the Fund as described in note 10.

The Fund pays for all other expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the Independent Review Committee ("IRC"), expenses related to compliance with National Instrument 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies and all amounts paid on account of indebtedness.

10. RELATED PARTY TRANSACTIONS

In accordance with the Declaration of Trust, the Manager is entitled to an annual management fee of 1.25% per annum of the NAV of the Fund, calculated weekly and paid monthly in arrears, plus applicable taxes.

For the year ended December 31, 2020 the Fund expensed management fees of $178,220 (2019 – $216,778). As at December 31, 2020, the Fund had management fees payable of $14,075 (December 31, 2019 – $17,569) included in accrued liabilities.

On an ongoing basis, the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the year ended December 31, 2020 the Fund expensed the following amounts which were paid and recharged by the Manager: IRC fees of $29,343 (2019 – $ 27,442); legal fees of $232 (2019 – nil); filing fees of $1,035 (2019 – nil) and wire service fees of $1,153 (2019 – nil) (both included in 'unitholder reporting costs'); and unitholder information costs of $8,661 (2019 – $ 25,914) and premiums for insurance coverage for members of the IRC of $865 (2019 – $214) (both included in 'other administrative expenses'). As at December 31, 2020 the Fund owed the Manager $1,989 for recharged expenses (December 31, 2019 – $491) included in accrued liabilities, and was owed by the Manager $2,209 (2019 – nil) for overcharged expenses included in prepaid expenses and other assets.

Units held by the Manager and its affiliates represent 13.8% of the units outstanding at December 31, 2020 (December 31, 2019 – 12.0%).

11. PORTFOLIO TRANSACTION COSTS

During the year ended December 31, 2020 the Fund paid $7,665 (2019 – $7,131) in brokerage commissions and other portfolio transaction costs. There are no soft dollar commissions.

12. SECURITIES LENDING

The Fund has entered into a securities lending program with CIBC Mellon Global Securities Services Company, (as administrator), which has a DBRS credit rating of AA / R-1 / Stable and a Moody's credit rating of A1 / P-1 / Stable, and BNY Mellon (as lending agent), which has DBRS credit rating of AA / R-1 / Stable and a Moody's credit rating of Aa1 / P-1 / Stable. The Manager suspended the Fund's participation in the securities lending program during the year ended December 31, 2020, but can reactivate the Fund's participation at any time.

Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities and collateral on a specified future date. Income is earned in the form of fees paid by the counterparty and is recognised on the accrual basis in the Statements of Comprehensive Income. The Fund retains the risks and rewards of ownership of the securities loaned, and therefore these securities do not qualify for derecognition and therefore remain in the Statements of Financial Position of the Fund during the loan period. The risks and rewards of ownership include any gains or losses in market value of the securities, the ability to sell the securities, and any dividends or distributions on the securities for which the ex-dividend dates fall within the loan period.

The Fund receives collateral of at least 102% of the value of securities on loan. Should a borrower default on a securities loan, the Fund is entitled to the associated collateral. The Fund is not exposed to the risks and rewards of ownership of the

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 (continued)

collateral therefore the collateral is not included in the Fund's Statements of Financial Position. Collateral may comprise: debt that is issued or guaranteed by the Government of Canada or a province thereof, by the Government of the United States of America or of one of the states of the United States of America or of a sovereign state of the G7 countries, or of Austria, Belgium, Denmark, Finland, the Netherlands, Spain, Sweden, Switzerland, or a permitted supranational agency of Organisation for Economic Coordination and Development countries; debt that is issued or guaranteed by a financial institution whose short-term debt is rated A-1 or R-1 or equivalent and includes bankers acceptances, banker bearer deposit notes, or irrevocable letters of credit; corporate debt or corporate commercial paper; or convertible securities.

The aggregate fair value of securities loaned (which equals their carrying amount) and the aggregate fair value of the collateral under securities lending transactions as at December 31, 2020 and 2019 are as follows:

December 31, 2020		December 31, 2019	
Fair value of securities loaned	**Fair value of collateral**	Fair value of securities loaned	Fair value of collateral
$ –	**$ –**	$ 680,176	$ 714,189

As at December 31, 2019, the collateral consisted of debt that is issued or fully and unconditionally guaranteed as to the principal and interest by government of Canada or a province of Canada.

The table below sets out a reconciliation of the gross amounts generated from securities lending transactions to the securities lending income disclosed in the Statements of Comprehensive Income for the years ended December 31, 2020 and 2019:

	December 31, 2020		December 31, 2019	
	$	**% of gross income**	$	% of gross income
Securities lending income	**384**	**70.0%**	2,196	70.0%
Agent fees paid to the lending agent	**164**	**30.0%**	940	30.0%
Gross securities lending income	**548**		3,136	

13. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

a) Risk factors

The Fund's investment activities expose it to a variety of risks associated with financial instruments.

The Manager seeks to maximize the returns derived for the level of risk to which the Fund is exposed and to minimize potential adverse effects on the Fund's performance by employing professional and experienced portfolio managers, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the constraints of the investment objectives and restrictions. The Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment objectives and restrictions, internal guidelines and securities regulations.

b) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of the Fund's assets represents the maximum credit risk exposure as at December 31, 2020 and 2019.

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

The Fund may enter into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities at a future date. All counterparties are subject to a stringent examination of creditworthiness which includes a financial assessment of the company, a review of qualitative factors including management and corporate governance, comparison to similar companies and consideration of ratings assigned by external ratings agencies, and the value of collateral must be at least

NOTES TO FINANCIAL STATEMENTS

December 31, 2020 (continued)

102% of the fair value of the securities loaned. Therefore credit risk associated with any such transactions is considered minimal. The Fund's participation in securities lending has been suspended and may be reactivated by the Manager at any time (note 12).

The Fund limits its exposure to credit loss by dealing with counterparties, including the lending agent and the issuers of short-term debt instruments, of high credit quality (see notes 5 and 12). To maximize the credit quality of its investments, the Fund's Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of counterparties, historical trends and other information. Given that the Fund is primarily invested in equities, credit risk is not considered significant.

c) Market risk and other price risk

Market risk is the possibility that investments experience losses due to factors that affect the overall performance of the financial markets. The current global pandemic caused by the outbreak of COVID 19 respiratory disease has impacted global stock markets, including stock valuations and market volatility. In general, war and occupation, terrorism and related geopolitical risks or other factors including global health risks or pandemics may in the future lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets. Those events could also have an acute effect on individual issuers or related groups of issuers. These risks could also adversely affect securities markets, inflation and other factors relating to the securities held in the Fund's portfolio.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from market risk, interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager aims to moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy. The Fund's investment objectives include the requirement that its portfolio securities must exhibit low price volatility at the time of purchase, which may further reduce other price risk. The maximum risk of loss resulting from financial instruments is equivalent to their fair value.

The Fund is exposed to market risk and other price risk from its investment in common equities, REITs and income trusts. As at December 31, 2020, had the prices of these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately $1,103,654 (December 31, 2019 – $1,375,192) or 9.0% (December 31, 2019 – 8.8% of net assets). In practice, the actual results may differ, and the impact could be material.

d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities and its redeemable units. The Fund is exposed to liquidity risk through the annual redemption of its units, because there may be insufficient trade volumes in the markets for the securities of the Fund or because the securities may be subject to legal or contractual restrictions on their resale. The Fund receives notice of at least 22 business days prior to the date of redemption of units and has up to 15 business days after the redemption date to settle the redemptions, which provides the Manager time to liquidate securities to fund the redemptions, although there remains a risk that the required funds cannot be obtained. All of the liabilities of the Fund mature in year or less. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. The Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity; therefore, the liquidity risk for the Fund is considered minimal.

e) Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to interest rate risk on its short-term debt instruments. Fluctuations in interest rates have a direct effect on the Fund's ability to earn interest income. As at December 31, 2020 and 2019, the Fund had no significant exposure to interest rate risk due to the short-term nature of its short-term debt instruments, which had maturities of less than three months.

f) Currency risk

Currency risk arises on financial instruments denominated in foreign currencies. Fluctuations in foreign exchange rates impact the valuation of assets and liabilities denominated in foreign currencies. As at December 31, 2020 and 2019, the Fund had no direct exposure to currency risk since none of its financial instruments were denominated in foreign currencies.

NOTES TO FINANCIAL STATEMENTS
December 31, 2020 (continued)

g) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk, expressed in terms of percentage of net assets invested by sector, as at December 31, 2020 and 2019:

Market Segment	**December 31, 2020**	December 31, 2019
Consumer Discretionary	**12.4%**	10.3%
Consumer Staples	**3.9%**	5.7%
Energy Infrastructure	**9.8%**	12.1%
Financials	**15.4%**	17.5%
Health Care	–	3.2%
Industrials	**13.4%**	8.2%
Materials	**5.6%**	8.0%
Oil & Gas Distribution	**3.9%**	4.4%
Real Estate	**11.3%**	9.6%
Telecommunication Services	**4.7%**	–
Utilities	**9.3%**	9.2%

14. FAIR VALUE HIERARCHY

The Fund classifies fair value measurements within a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are unobservable. The determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following fair value hierarchy table presents information about the Fund's financial instruments measured at fair value as at December 31, 2020 and 2019:

December 31, 2020

	Level 1	**Level 2**	**Level 3**	**Total**
Equities	**$ 11,036,536**	**$ –**	**$ –**	**$ 11,036,536**
	$ 11,036,536	**$ –**	**$ –**	**$ 11,036,536**

December 31, 2019

	Level 1	Level 2	Level 3	Total
Equities	$ 13,751,916	$ –	$ –	$ 13,751,916
	$ 13,751,916	$ –	$ –	$ 13,751,916

There were no transfers between the levels during the years ended December 31, 2020 and 2019.

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