MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

BLOOM SELECT INCOME FUND

INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2023

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 interim management report of fund performance for Bloom Select Income Fund (the "Fund") contains financial information but does not contain the interim or audited annual financial statements of the Fund. The interim 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 (1-855-256-6618) or by sending a request to Unitholder Information, Bloom Investment Counsel, Inc., Yonge Eglinton Centre, Suite 1710, 2300 Yonge Street, Toronto, Ontario, M4P 1E4, 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 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.

RECENT DEVELOPMENTS

Inflation, Interest Rates and Recession Concerns

Canadian investment markets continue to display concerns about rising inflation and the possibility of a recession. After several rate hikes in 2022 and early 2023, the Bank of Canada’s policy rate plateaued for a few months but was raised again in June 2023, with the potential for further increases. The Fund’s focus on low volatility, dividend paying Canadian equities places it in a position to respond to an inflationary environment, given that dividends often keep pace with inflation and many dividend paying companies are able to raise prices to respond to increasing costs. These matters are further discussed in the Investment Manager’s Report below.

Russian Invasion of Ukraine

In February 2022, Russian forces invaded Ukraine, resulting in an armed conflict and economic sanctions on Russia. Price volatility, trading restrictions, including the potential for extended halting of Russian market trading, and general default risk has impacted Russian securities. Disruption of Russian and Ukrainian exports, most notably energy and grain, has contributed to global energy and food price increases. The conflict may continue to contribute to an increase in short-term market volatility, with European markets being most at risk. It is uncertain how long the conflict, economic sanctions and market instability will continue and whether they will escalate further. The Manager is actively monitoring the situation.

INVESTMENT MANAGER

BLOOM
INVESTMENT COUNSEL, INC.

For over 35 years, the Manager has been managing 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 real estate investment trusts, for three TSX listed closed end funds.

INVESTMENT MANAGER’S REPORT

JULY 4, 2023

Canadian Economy

The year commenced with the Bank of Canada (BoC) increasing policy interest rates by 0.25% to 4.5%. With Canadian inflation remaining persistent during the period the BoC was forced to increase interest rates once again by another quarter point at its most recent meeting in June. Signals from the BoC indicate that its hawkish stance has not ended which is in line with other central banks. While the Fed maintained its current interest rate, all indications point to a resumption in hikes in the near term. The Bank of England (BoE), on the other hand, together with a few other central banks, recently hiked their interest rates. The BoE hiked by 50 basis points to 5% surprising the market which had been pricing in a 25-basis point hike. The BoC will need to maintain its restrictive rate policy for some time to fully combat underlying pressures from inflation as the Canadian economy overall has proved to be more resilient than predicted.

Despite increased interest rates which translates into a tighter lending market, the Canadian economy appears to be driving on unaffected by any discussion of a recession. That being said, an economy can only be resilient for so long when faced with stubbornly high inflation (see next paragraph) and a tight labor market. Accordingly, we are of the belief that we will see a mild slowdown in the back half of this year given our expectation for at least one more rate hike by the BoC this year.

The Consumer Price Index (CPI) increased 0.4% in May, which was in line with consensus. This represents a 3.4% increase year-over-year which is a full percentage point lower than in April and is the lowest level since July 2021. Despite global commodity price weakness, food inflation remains strong with the expectation that there is likely some softening ahead. Prices increased in five of the eight categories surveyed with transportation, clothing and footwear and household operations being the only categories to experience a decline. Core inflation in May was softer than expected up around 0.2% month-over-month cutting the year-over-year rate closer to 3.8%. Despite the improvement, inflation remains sticky holding in the 3.5% to 4% range for the past 9 months which remains above the BoC's target of 2%. This remains a serious issue for the BoC as it waits for core inflation to demonstrate signs of a more permanent slowdown.

Canadian consumers continue to be in spending mode driving Q1 real GDP to grow 3.1%. This was higher than estimates for 2.5% growth. Consumer spending as a share of GDP reached an all-time high at 56.7%. Despite higher mortgage rates, most mortgage holders have not yet felt the impact from these rate increases due to their fixed rates with refinancings expected to hit consumers in two to three years when monthly payments could rise by 20-40%. Notably, the personal savings rate in Q1 dropped to 2.9% marking the lowest level since the start of the pandemic likely because of an increase in spending and a decline in government subsidies. In April, Canadian real GDP was flat with the flash estimate for May at 0.4% indicating that the economy gained some momentum going into the summer. Estimates for Q2 and for the full year are for annualized growth of around 1.5% with the Canadian economy yet to see a single month of GDP decline this year.

Canadian retail sales rose 1.1% in April, the latest figure available. This figure was stronger than estimates which were in the range of 0.2%. Spending volumes rose slightly with an increase in prices driving the strong retail sales figure. Except for furniture, home furnishings, electronics and appliance retailers, all remaining sectors posted increases in April. Gains in retail sales were felt across the country with eight of the ten provinces posting increases with Nova Scotia, New Brunswick and Ontario experiencing the highest growth. It is expected that momentum in retail sales will be tempered by persistent high inflation and a continuation of monetary tightening.

For the first time in nine months, Canadian employment fell in May largely driven by a decline in youth employment. The lower employment levels together with an increase in the labor force increased the unemployment rate to 5.2%. The goods sector was the strongest in May led by an increase in manufacturing employment. The services sectors were weak with the largest declines coming from business/building support, professional services, and wholesale/retail. Self-employment experienced the largest drop since April 2020 and the fourth largest in the past decade. Regionally, Ontario accounted for most of the national employment decline. Job losses were also experienced in most parts of the Maritimes, with the rest of the country experiencing modest gains. However, the variance in the jobless rate across the country has never been tighter on a 12-month average basis. As a result, wages have narrowed province-to-province providing less impetus for Canadians to migrate between provinces for work. With continued high levels of immigration to Canada it is expected that labour supply will increase providing relief to a tight labor market.

For the first time since the housing correction commenced last year, new home prices rose slightly in May. Existing home sales increased 5.1% on a seasonally adjusted basis from April to May, marking the fourth consecutive monthly increase. The level of activity has increased and is now in line with levels seen in the three years prior to the pandemic. Sales growth is apparent across the country with the largest increases seen in P.E.I. which posted growth of 22.3% followed by Saskatchewan with a 9.2% increase. Despite a 6.8% increase in May, on a seasonally adjusted basis, new listings remain more than 13% lower than a year ago and are around 16% lower than the three-year pre-pandemic average. If the BoC continues to increase rates well above the 5% level it is expected that there will be a resumption in the correction of home prices.

Canadian Investment Markets

The Canadian stock market remains challenging with no clear overarching theme driving it upwards or downwards, making it even more important to invest with a long-term active investment management approach. Economic data and in particular interest rate movement continues to add volatility to the market. Companies which announce accretive acquisitions that will benefit their long-term growth would normally be rewarded by the market; however, if they have taken on any additional debt, the market is penalizing them. As such, valuations overall do not appear rich. So far this year earnings releases overall have either been in line with expectations or slightly ahead despite inflationary pressures. Given that there can be a lag in some industries as to when the impact from inflation is felt, we remain cautious; however, on the flip side, we are now seeing the positive impact on earnings from some companies being able to pass on an increase in prices to their customers.

Towards the end of the period the Canadian market was fixated on not only whether the BoC would increase interest rates but also whether the Fed would announce a rate hike or would hold rates as it did. Indeed, with the two central banks reacting differently at their June meetings the rate hike trajectory continues to be highlighted in the market. This, combined with a focus on China's recovery given a series of recent indicators pointing to an economic slowdown and the continuous discussion surrounding Artificial Intelligence stocks, has resulted in a Canadian stock market without a clear footing. Commodities continue to struggle despite a resolution of the U.S. debt ceiling and may continue to do so until there is more clarity around whether developed economies manage to have a soft landing. Of course, fears of a hard landing remain which could have a negative effect on global oil demand.

While the S&P 500 Index is often regarded as the global stock market benchmark, it should be noted that this index is currently dominated by 10 stocks which are largely technology stocks. This has resulted in equities appearing to be expensive as these ten stocks are roughly 50% more expensive than their long-term average. A rotation out of these names (which will likely occur should we experience a soft landing, as expected) should be beneficial for the smaller capitalization stocks compared to these mega capitalization stocks.

Historically, Canadian equities have traded at a discount to their U.S. peers and the present time is no exception. When compared to their discounted valuation, Canadian stocks remain inexpensive, trading at around one multiple point discount to their long-term average on a Price-to-Earnings basis. This is true not only for forward looking estimates but also when looking at trailing earnings.

For the first six months of the year, the S&P/TSX Composite Index increased 4.0% with the S&P/TSX Composite High Dividend Index increasing 0.5%. So far this year, Canada has lagged its U.S. counterpart as the Canadian market is particularly missing what has worked so far this year in the U.S. – large cap technology and communication stocks. On a sector-by-sector basis, the S&P/TSX Composite Index has outperformed in six of the ten major groups so its underperformance relative to the U.S. is mainly an index composition issue. However, unlike the U.S. where performance recently has been essentially driven by the technology and telecom services sectors which are each up approximately 40% year-to-date, the Canadian market does not have the same concentration and breadth.

The top performing Canadian sectors year-to-date were Information Technology (a relatively small sector) +47.5%, Consumer Discretionary +11.3% and Industrials +8.7% and the worst performing sector was Energy (-2.3%). Interest rate stabilization benefited the top three performing sectors but also negatively impacted the Energy sector. After having a challenging year in 2022, the Information Technology sector has experienced strong growth year-to-date. The sector directly benefited from the tremendous global attention on Artificial Intelligence, more attractive valuations due to a disastrous performance last year, and a stabilization in interest rates which tends to benefit growth stocks. The Consumer Discretionary stocks benefited from continued strength in consumer spending.

It is apparent that bond markets are of the opinion that many central banks will continue to increase rates in the months ahead, driving yields higher across the yield curve to levels reminiscent of the regional banking crisis in the first quarter. The current yield curve inversion is the deepest and longest it has been in four decades. With a further hike by the BoC expected in July there are no near-term catalysts leading the market to believe that there will be a material steepening in the short-term. Mid-term bonds provided a 1.8% return, while short-term bonds returned 0.3% year-to-date. 90-Day Treasury Bills returned 2.1% for the same period.

Weakness in the Canadian dollar began to seriously take effect last August at which time it was clear that the Fed would need to hike more than the BoC. With the Fed recently pausing its rate hikes a rebound of sorts has occurred for the Canadian dollar against the Greenback. From a low in early March of $1.3827, by the end of June it had appreciated to $1.3240. For the full year-to-date the Loonie has appreciated only 2.2%. This, however, is better than over the last twelve months when our dollar declined in value by 2.7%.

Fund Performance

Keeping in mind that the Fund is mandated as a low beta Fund, for the first six months of the year, the Fund performed in line with the S&P/TSX Composite High Dividend Index. For the first half of the year, positions in Noranda Income Fund, Premium Brands Holdings Corporation and Aecon Group Inc. were the greatest contributors to performance. The strongest performing sectors for the Fund were Consumer Staples, Materials and Financials.

The most recent measure of Active Share for Bloom Select Income Fund was a very high 81.3%. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. Bloom believes 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.

Outlook

With limited direction in North American markets, excluding technology stocks, it has been a challenging market. There have been several positive announcements amongst our investments including the divestiture of some non-core assets to fortify balance sheets, accretive acquisitions which are expected to further benefit long-term growth and generally positive earnings releases, with some companies increasing their dividends. This last point is especially important. In the current uncertain economic environment with limited confidence in the direction of monetary policy, dividends remain an increasingly important component of a stock's return.

While the rise in interest rates has begun to make bonds an attractive investment, note that dividends are taxed at more advantageous rates. Further, the after-tax yield on the S&P/TSX Composite Index remains approximately 50% better than a 10-year Canadian government bond further justifying the increased risk associated with equities. Furthermore, as we have historically witnessed and has been the case with the most recent earnings releases, dividend-paying equities have the ability to increase their dividends - unlike bonds which maintain a static rate.

Canadian dividend-paying stocks remain attractively valued with compelling yields supported by stable underlying businesses. We maintain our defensive investment stance and take comfort, especially in the current stock market environment, in our long-term investment approach. We continue to use cash (money market investments and short-term treasury bills) as a tactical asset allocation tool and we remain pragmatic yet opportunistic in putting this cash to use as we look for new investment opportunities at the appropriate time.

RESULTS OF OPERATIONS

Distributions

During the six months ended June 30, 2023 distributions totaled $0.25 per unit. The 2023 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 $5.598602 per unit.

Increase in Net Assets from Operations

The Fund's net investment income was $0.2 million ($0.19 per unit) for the six months ended June 30, 2023, arising from average portfolio investments during the period of $9.6 million. The income was comprised primarily of $0.9 million net change in unrealized appreciation/depreciation and $0.2 million in dividend and distribution income during the period offset by $0.8 million in realized loss on sale of investments.

Expenses were $0.2 million ($0.14 per unit) for the period, the major components being management fees of $73,558 and other administrative expenses of $43,102.

Net Asset Value

The net asset value per unit of the Fund was $8.17 at June 30, 2023, down by 2.4% from $8.37 at December 31, 2022. The aggregate net asset value of the Fund decreased to $10.3 million at June 30, 2023 from $10.5 million at December 31, 2022, due primarily to cash distributions to unitholders of $0.3 million (net of reinvested distributions) and expenses of $0.2 million offset by net investment income of $0.2 million.

Liquidity

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

Investment Portfolio

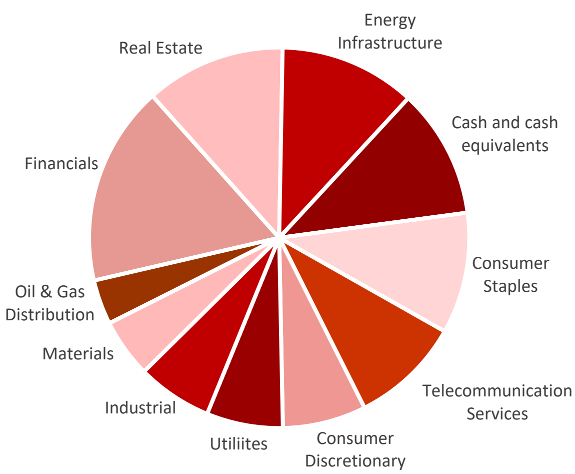
The Fund has established a portfolio comprised primarily of Canadian equities, income trusts and real estate investment trusts (REITs), each of which was selected to achieve the investment objectives of the Fund. The investment objectives of the Fund include the requirement that the Fund only invests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

Over the six months to June 30, 2023 the Fund's investment in the Consumer Staples sector has increased from 7.4% of the portfolio (equities, cash and cash equivalents) to 10.3%, due to the increase in the Fund's position in Empire Company Limited Class 'A' and a substantial price increase on Premium Brands Holdings Company. The Fund's investment in the Materials sector decreased from 6.5% of the portfolio to 4.9%, mainly due to the sale of the Fund's holding in Noranda Income Fund. The Consumer Discretionary sector decreased as a percentage of the portfolio from 8.5% to 7.1% due to the sale of the Fund's position in Cineplex Inc. The Fund's investment in the Utilities sector decreased from 7.7% of the portfolio to 6.5%, mainly due to a price decrease on Northland Power Inc. The Fund's position in cash and cash equivalents has increased slightly from 10.2% to 11.2% of the portfolio due to a portion of the proceeds of the Fund's dispositions not yet being invested.

The Fund had net unrealized appreciation of $1.2 million in its portfolio as at June 30, 2023, with significant unrealized gains of $0.5 million in the Financials sector, $0.4 million in the Consumer Staples sector, $0.3 million in the Utilities sector and $0.3 million in the Real Estate sector. These unrealized gains are offset by unrealized losses in each of the Industrial and Materials sectors.

The Fund had net realized losses of $0.8 million from the sale of the Fund's holdings in Noranda Income Fund and Cineplex Inc.

Portfolio Sectors



Sector		Value (thousands)	% of Total
Financials	$	1,758	16.9%
Real Estate		1,231	11.9%
Energy Infrastructure		1,203	11.6%
Cash and cash equivalents		1,165	11.2%
Consumer Staples		1,069	10.3%
Telecommunication Services		979	9.4%
Consumer Discretionary		740	7.1%
Utilities		671	6.5%
Industrial		662	6.4%
Materials		514	4.9%
Oil & Gas Distribution		393	3.8%
Total	**$**	**10,385**	**100.0%**

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 of 1.25% per annum of the net asset value of the Fund, calculated weekly and payable monthly in arrears, plus applicable taxes.

The management fee is intended to compensate the Manager for providing portfolio advisory and certain administrative services to the Fund. During the six months ended June 30, 2023, management fees amounted to $73,558.

Services received by the Fund in consideration of the management fee, as an approximate percentage of the management fee, comprise portfolio advisory services (65%) and administrative services (35%). 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 of these expenses of the Fund. For the six months ended June 30, 2023 the Fund expensed IRC fees of $19,333, filing fees of $257, wire service fees of $392, unitholder information costs of $3,242 and premiums for insurance coverage for members of the IRC of $1,195, 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 service 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 June 30, 2023 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 over 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.

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, five and ten year periods ended June 30, 2023 and the period since inception, compared with the S&P/TSX Composite Index ("Comp Index"), S&P/TSX Composite Total Return Index ("Comp TR Index"), the S&P/TSX Composite High Dividend Index ("HD Index") and the S&P/TSX Composite High Dividend Total Return Index ("HD TR Index") (together, the "Indices"). The Comp 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 stocks, REITs and income trust units, and is an appropriate benchmark as the Fund invests in such common stocks, REITs and income trusts. The HD Index is a more narrowly-based strategy index consisting of 50 to 75 stocks selected from the Comp Index focusing on divided 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 Indices. The Fund's portfolio contains predominantly high dividend paying securities, whereas the Indices do not necessarily focus on this type of investment. Also, the investment objectives of the Fund dictate that the Fund invest only in stocks displaying a low volatility at the time of purchase, and therefore the Fund is unable to purchase a significant number of stocks included in the Indices. As well, the Fund may invest in issuers that are not included in 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. For these reasons it is not expected that the Fund's performance will mirror those of the Indices.

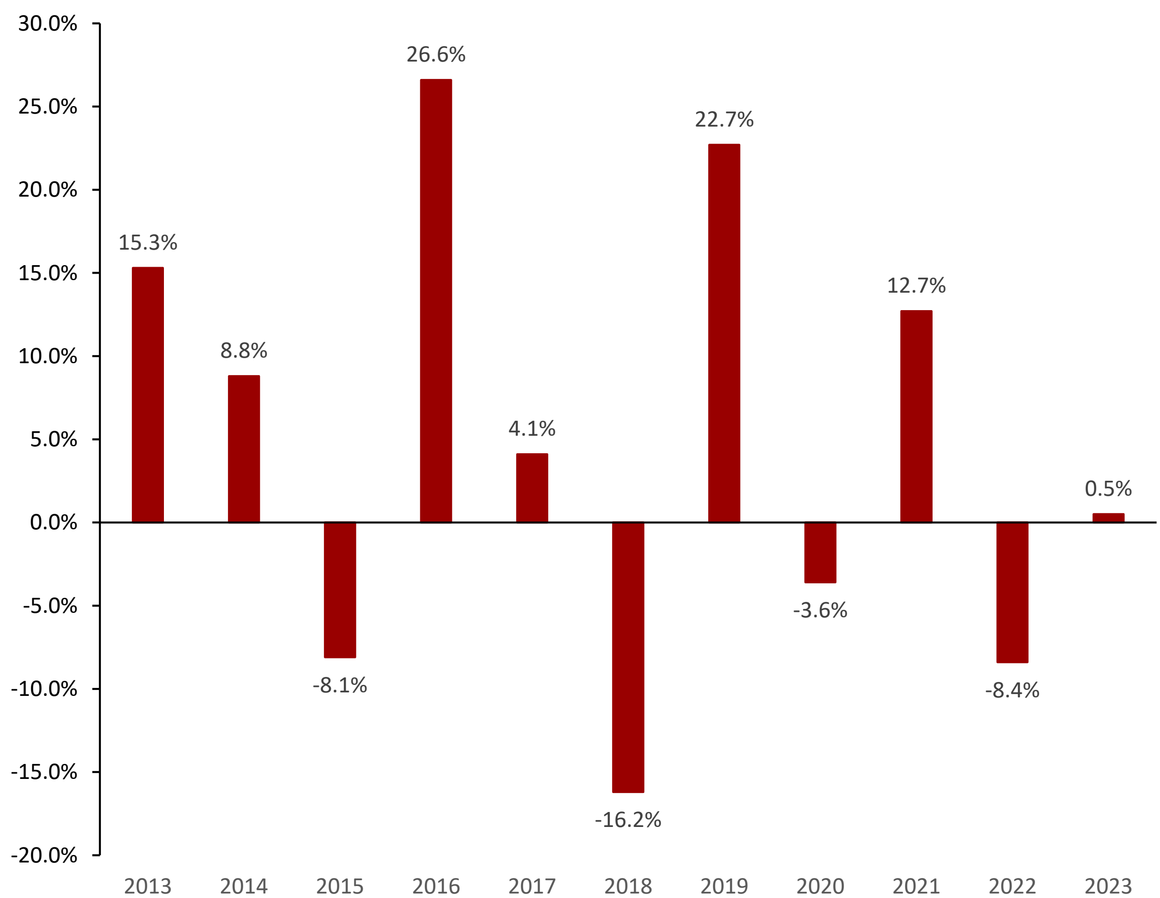
	One year	Three years	Five years	Ten years	Since inception (1)
Bloom Select Income Fund (net of fees and expenses)	-3.3%	6.7%	1.6%	4.5%	4.1%
S&P/TSX Composite Index	6.9%	9.1%	4.4%	5.2%	4.6%
S&P/TSX Composite Total Return Index	10.4%	12.4%	7.6%	8.4%	7.8%
S&P/TSX Composite High Dividend Index	-2.6%	12.9%	3.1%	2.1%	2.0%
S&P/TSX Composite High Dividend Total Return Index	2.5%	18.5%	8.4%	7.4%	7.9%

(1) Period from April 20, 2012 (commencement of operations) to June 30, 2023

The Fund outperformed the HD Index for the ten year period ended June 30, 2023 and the period since inception, 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, differences in individual portfolio selections between the Fund's portfolio and the Indices within each of the sectors result in different average sector returns. It may also reflect differences in average sector weightings between the Fund's portfolio and the Indices over these periods.

Year-by-Year Returns Net of Fees

The bar chart shows the Fund's performance for each of the last ten fiscal years and the current year to date. 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.



2013 to 2022: Year from January 1 to December 31
2023: Six months from January 1 to June 30

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 National Instrument ("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]

For the fiscal period ended	**June 30, 2023**	**December 31, 2022**	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Net assets per unit, beginning of period [1] [2]	$ 8.37	$ 9.66	$ 9.05	$ 9.96	$ 8.55
Increase (decrease) from operations: [2]					
Total revenue	0.18	0.33	0.34	0.32	0.38
Total expenses	(0.14)	(0.29)	(0.27)	(0.25)	(0.25)
Net realized gains (losses)	(0.67)	0.29	0.25	0.77	(0.59)
Net unrealized gains (losses)	0.68	(1.16)	0.79	(1.39)	2.34
Total increase (decrease) in net assets from operations [1]	$ 0.05	$ (0.83)	$ 1.11	$ (0.55)	$ 1.88
Distributions to unitholders [2][3]					
From net investment income	-	-	-	(0.02)	(0.07)
From return of capital	(0.25)	(0.50)	(0.50)	(0.48)	(0.43)
Total distributions to unitholders	$ (0.25)	$ (0.50)	$ (0.50)	$ (0.50)	$ (0.50)
Net assets per unit, end of period [1] [2]	$ 8.17	$ 8.37	$ 9.66	$ 9.05	$ 9.96

[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] $32,615 (2022: $64,960; 2021: $68,241; 2020: $72,303; 2019: $69,426) of distributions were reinvested in units under the Fund's distribution reinvestment plan ("DRIP"). The remainder of the distributions were paid in cash.

Ratios and Supplemental Data

For the fiscal period ended	**June 30, 2023**	**December 31, 2022**	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Net asset value (000s) [1]	$ 10,305	$ 10,525	$ 12,937	$ 12,313	$ 15,581
Number of units outstanding [1]	1,261,671	1,257,840	1,338,996	1,360,130	1,564,031
Management expense ratio ("MER") [2]	3.38%	3.22%	2.75%	2.82%	2.61%
Trading expense ratio [3]	0.01%	0.02%	0.02%	0.06%	0.04%
Portfolio turnover rate [4]	1.41%	8.16%	6.60%	17.78%	9.64%
Net Asset Value per Unit [1]	$ 8.17	$ 8.37	$ 9.66	$ 9.05	$ 9.96
Closing market price [1]	$ 7.65	$ 8.02	$ 9.18	$ 8.71	$ 9.51

(1) As at the period end date 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. 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 3.38% for the six months ended June 30, 2023, up from an MER of 3.22% in the year ended December 31, 2022. The increase is primarily due to the lower average net asset value in the six months ended June 30, 2023 compared to the year ended December 31, 2022.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2023

Total Net Assets (including Cash, Short Term Investments and Other Net Assets)		$10,305,404
Portfolio Composition	**% of Portfolio**	**% of Total Net Assets**
Financials	16.9%	17.1%
Real Estate	11.9%	11.9%
Energy Infrastructure	11.6%	11.7%
Cash and cash equivalents	11.2%	11.3%
Consumer Staples	10.3%	10.4%
Telecommunication Services	9.4%	9.5%
Consumer Discretionary	7.1%	7.2%
Utilities	6.5%	6.5%
Industrials	6.4%	6.4%
Materials	4.9%	5.0%
Oil & Gas Distribution	3.8%	3.8%
Total Investment Portfolio	100.0%	100.8%
Other Non-Debt Net Assets (Liabilities)		(0.8%)
Total Net Assets		100.0%

Top 25 Holdings	**% of Portfolio**	**% of Total Net Assets**
Cash and cash equivalents	11.2%	11.3%
Premium Brands Holdings Corporation	6.3%	6.4%
Sun Life Financial Inc.	4.7%	4.8%
TELUS Corporation	4.7%	4.8%
Rogers Communications Inc. Class B	4.7%	4.8%
Manulife Financial Corporation	4.5%	4.5%
TD Bank Group	4.1%	4.1%
Enbridge Inc.	4.0%	4.1%
Keyera Corp.	4.0%	4.0%
Empire Company Limited Class A	4.0%	4.0%
Superior Plus Corp.	3.9%	3.9%
Parkland Corporation	3.8%	3.8%
Choice Properties Real Estate Investment Trust	3.7%	3.8%
Canadian Apartment Properties Real Estate Investment Trust	3.7%	3.7%
Bank of Nova Scotia	3.7%	3.7%
Transcontinental Inc. Class A	3.6%	3.6%
Chemtrade Logistics Income Fund	3.6%	3.6%
Gibson Energy Inc.	3.6%	3.6%
Park Lawn Corporation	3.5%	3.6%
Boralex Inc.	3.4%	3.4%
Northland Power Inc.	3.1%	3.1%
Altus Group Limited	2.5%	2.6%
Aecon Group Inc.	2.5%	2.5%
Allied Properties REIT	1.9%	1.9%
Barrick Gold Corporation	1.4%	1.4%

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.

NOTICE

The accompanying unaudited 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 statements have not been reviewed by the external auditors of the Fund.

Signed

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

Signed

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

August 9, 2023

STATEMENTS OF FINANCIAL POSITION (unaudited)

As at		June 30, 2023		December 31, 2022
Assets				
Current assets				
Investments at fair value	$	**9,219,964**	$	9,515,892
Cash and cash equivalents (note 5)		**1,164,845**		1,078,191
Dividends and distributions receivable		**48,371**		48,766
Prepaid expenses and other assets (note 10)		**6,106**		8,091
Total assets		**10,439,286**		10,650,940
Liabilities				
Current liabilities				
Distributions payable to unitholders		**52,569**		52,419
Accrued liabilities (note 10)		**81,313**		73,894
Total liabilities		**133,882**		126,313
Unitholders' equity (note 6)				
Unitholders' capital		**6,062,672**		6,345,074
Retained earnings		**4,242,732**		4,179,553
Net assets representing unitholders' equity	$	**10,305,404**	$	10,524,627
Net assets per unit	$	**8.17**	$	8.37

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the six months ended		**June 30, 2023**		June 30, 2022
Income				
Net gain (loss) on investments				
Dividend and distribution income	**$**	**208,584**	$	206,461
Interest for distribution purposes		**21,159**		5,421
Net realized gain (loss) on sale of investments		**(843,630)**		612,441
Net change in unrealized appreciation or depreciation on investments		**857,154**		(1,241,165)
Total net gain (loss) on investments		**243,267**		(416,842)
Other income				
Foreign exchange loss on cash		**(3)**		(2)
Total other income (loss)		**(3)**		(2)
Total income (loss)		**243,264**		(416,844)
Expenses (note 9)				
Management fees (note 10)		**73,558**		87,584
Independent Review Committee fees (note 10)		**19,333**		19,505
Audit fees		**15,364**		15,569
Unitholder reporting costs (note 10)		**13,819**		13,541
Custody fees		**11,313**		11,264
Legal fees		**2,834**		2,011
Portfolio transaction costs (note 11)		**762**		1,629
Other administrative expenses (note 10)		**43,102**		43,035
Total expenses		**180,085**		194,138
Increase (decrease) in net assets from operations	**$**	**63,179**	$	(610,982)
Weighted average units outstanding during the period		**1,259,786**		1,340,703
Increase (decrease) in net assets from operations per unit (note 3(i))	**$**	**0.05**	$	(0.46)

STATEMENTS OF CHANGES IN NET ASSETS (unaudited)

For the six months ended June 30, 2023 and 2022		**Unitholders' capital**		**Retained earnings**		**Total**
Balance at January 1, 2022	$	7,396,608	$	5,539,936	$	12,936,544
Decrease in net assets from operations		-		(610,982)		(610,982)
Distributions to unitholders (note 8)		(335,237)		-		(335,237)
Reinvestment of distributions (note 8)		32,568		-		32,568
Balance at June 30, 2022	$	7,093,939	$	4,928,954	$	12,022,893
Balance at January 1, 2023	**$**	**6,345,074**	**$**	**4,179,553**	**$**	**10,524,627**
Increase in net assets from operations		**-**		**63,179**		**63,179**
Distributions to unitholders (note 8)		**(315,017)**		**-**		**(315,017)**
Reinvestment of distributions (note 8)		**32,615**		**-**		**32,615**
Balance at June 30, 2023	**$**	**6,062,672**	**$**	**4,242,732**	**$**	**10,305,404**

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS (unaudited)

For the six months ended		**June 30, 2023**		June 30, 2022
Cash flows from operating activities				
Increase (decrease) in net assets from operations	**$**	**63,179**	$	(610,982)
Adjustment for:				
Net realized loss (gain) on sale of investments		**843,630**		(612,441)
Net change in unrealized appreciation or depreciation on investments		**(857,154)**		1,241,165
Decrease in dividends and distributions receivable		**395**		8,237
Decrease (increase) in prepaid expenses and other assets		**1,985**		(9,534)
Increase (decrease) in accrued liabilities		**7,419**		(20,518)
Operating cash flows:				
Purchases of investments		**(135,143)**		(301,549)
Proceeds from sale of investments		**433,594**		1,492,324
Return of capital received		**7,683**		8,177
Capital gains distributions received		**3,318**		1,294
Net cash from operating activities		**368,906**		1,196,173
Cash flows used in financing activities				
Distributions paid to holders of redeemable units, net of reinvestments		**(282,252)**		(302,538)
Net cash used in financing activities		**(282,252)**		(302,538)
Net increase in cash and cash equivalents		**86,654**		893,635
Cash and cash equivalents at beginning of period (note 5)		**1,078,191**		978,209
Cash and cash equivalents at end of period (note 5)	**$**	**1,164,845**	$	1,871,844
Interest received	**$**	**20,735**	$	2,353
Dividends and distributions received	**$**	**208,979**	$	214,698

The accompanying notes are an integral part of these financial statements

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2023			Cost		Fair Value
No. of Units/ Shares	**Canadian Equities**				
	Consumer Discretionary				
15,100	Park Lawn Corporation	$	332,780	$	367,383
25,400	Transcontinental Inc. Class 'A'		404,848		372,364
			737,628		**739,747**
	Consumer Staples				
10,900	Empire Company Limited Class ‘A’		392,004		410,167
6,300	Premium Brands Holdings Corporation		240,873		658,539
			632,877		**1,068,706**
	Energy Infrastructure				
8,500	Enbridge Inc.		382,176		418,540
17,700	Gibson Energy Inc.		345,722		368,691
13,600	Keyera Corp.		410,148		415,480
			1,138,046		**1,202,711**
	Financials				
5,700	Bank of Nova Scotia		322,565		377,796
18,500	Manulife Financial Corporation		463,336		463,240
7,100	Sun Life Financial Inc.		278,071		490,326
5,200	TD Bank Group		223,112		426,972
			1,287,084		**1,758,334**
	Industrial				
21,000	Aecon Group Inc.		416,434		259,770
42,400	Superior Plus Corp.		395,961		402,376
			812,395		**662,146**
	Materials				
6,400	Barrick Gold Corp.		209,159		143,424
45,200	Chemtrade Logistics Income Fund		638,927		370,188
			848,086		**513,612**
	Oil & Gas Distribution				
11,900	Parkland Corporation		308,461		392,700
			308,461		**392,700**
	Real Estate				
9,200	Allied Properties REIT		218,253		199,824
6,000	Altus Group Ltd.		45,233		263,580
7,500	Canadian Apartment Properties REIT		349,295		381,450
28,500	Choice Properties REIT		350,494		386,745
			963,275		**1,231,599**
	Telecommunication Services				
8,100	Rogers Communications Inc., Class ‘B’		497,219		489,564
18,992	TELUS Corp.		507,718		489,614
			1,004,937		**979,178**
	Utilities				
9,800	Boralex Inc.		144,352		353,486
11,500	Northland Power Inc.		192,393		317,745
			336,745		671,231
	Total Canadian equities	**$**	**8,069,534**	**$**	**9,219,964**
	Embedded broker commissions		(10,556)		
	Total investments	**$**	**8,058,978**	**$**	**9,219,964**

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2023

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 August 9, 2023.

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") as applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Statements.

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.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (continued)

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.

The Fund classifies fair value measurements within a hierarchy as described in note 13. 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.

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.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (continued)

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 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 deferred income tax assets or liabilities.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (continued)

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 June 30, 2023, the Fund had no non-capital losses carried forward (December 31, 2022 - nil). Capital losses incurred by the Fund may be carried forward indefinitely to apply against capital gains realized in future years. As at June 30, 2023, the Fund had $295,287 capital losses available for carryforward (December 31, 2022 – $295,287).

5. CASH AND CASH EQUIVALENTS

The Fund's cash and cash equivalents as at June 30, 2023 and December 31, 2022 comprised the following:

	June 30, 2023	December 31, 2022
Cash	**$ 166,443**	$ 179,035
Cash equivalents	**998,402**	899,156
	$ 1,164,845	$ 1,078,191

Cash equivalents at June 30, 2023 comprised:

Type	**Issuer**	**DBRS credit rating of issuer**	**Par Value $**	**Maturity Date**	**Coupon**	**Fair value $**
Banker's acceptance	TD	AA/R- 1/Stable	1,000,000	July 13, 2023	4.88%	998,402

Cash equivalents at December 31, 2022 comprised:

Type	**Issuer**	**DBRS credit rating of issuer**	**Par Value $**	**Maturity Date**	**Coupon**	**Fair value $**
Banker's acceptance	RBC	AA/R- 1/Stable	900,000	January 9, 2023	4.17%	899,156

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.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (continued)

The 2022 annual redemption took place on October 28, 2022 and consisted of 88,300 units for redemption proceeds of $717,828 payable on November 18, 2022.

Unit transactions of the Fund for the six months ended June 30, 2023 and 2022 were as follows:

	June 30, 2023	June 30, 2022
Units outstanding at beginning of period	**1,257,840**	1,338,996
Reinvestment of distributions	**3,831**	3,394
Units outstanding at end of period	**1,261,671**	1,342,390

The closing market price of the Fund's units on June 30, 2023 was $7.65 (December 31, 2022 - $8.02).

7. CAPITAL MANAGEMENT

For operating purposes, redeemable units issued and outstanding are considered to be the capital of the Fund. As at June 30, 2023 the Fund's capital therefore comprised net assets of $10,305,404 (December 31, 2022 – $10,524,627). 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 six months ended June 30, 2023, the Fund declared total distributions of $0.25 (2022 – $0.25) per unit, which amounted to $315,017 (2022 – $335,237). 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 six months ended June 30, 2023, distributions of $32,615 were reinvested in 3,831 units of the Fund which were issued from treasury (six months ended June 30, 2022 – distributions of $32,568 were reinvested in 3,394 units of the Fund which were issued from treasury).

In conjunction with the annual redemption described in note 6, the Fund made no distributions of capital gains to redeeming unitholders (2022 - $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 service 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.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (continued)

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 six months ended June 30, 2023 the Fund expensed management fees of $73,558 (2022 – $87,584). As at June 30, 2023, the Fund had management fees payable of $11,771 (December 31, 2022 – $12,163) 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 six months ended June 30, 2023 the Fund expensed the following amounts which were paid and recharged by the Manager: IRC fees of $19,333 (2022 – $19,505), filing fees of $257 (2022 – $932) and wire service fees of $392 (2022 – $611) (both included in 'unitholder reporting costs'), and unitholder information costs of $3,242 (2022 – $3,737) and premiums for insurance coverage for members of the IRC of $1,195 (2022 – $1,393) (both included in 'other administrative expenses'). As at June 30, 2023 the Fund owed the Manager $593 for recharged expenses (December 31, 2022 – $883) included in accrued liabilities.

Units held by the Manager and its affiliates represent 14.9% of the units outstanding as at June 30, 2023 (December 31, 2022 – 14.9%).

11. PORTFOLIO TRANSACTION COSTS

During the six months ended June 30, 2023 the Fund paid $726 (2022 – $1,629) in brokerage commissions and other portfolio transaction costs. There are no soft dollar commissions.

12. 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 June 30, 2023 and December 31, 2022.

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 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 note 5). 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.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (continued)

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, supply chains, labor supply and market volatility. The current conflict in Ukraine has also impacted global stock markets, primarily in the oil and gas and food related sectors. 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 June 30, 2023, 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 $921,996 (December 31, 2022 - $951,589) or 8.9% (December 31, 2022 – 9.0% 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 six months 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 June 30, 2023 and December 31, 2022, 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 June 30, 2023 and December 31, 2022, the Fund had no direct exposure to currency risk since none of its financial instruments were denominated in foreign currencies.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2023 (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 June 30, 2023 and December 31, 2022:

Market Segment	**June 30, 2023**	December 31, 2022
Consumer Discretionary	**7.2%**	8.6%
Consumer Staples	**10.4%**	7.4%
Energy Infrastructure	**11.7%**	12.1%
Financials	**17.1%**	16.4%
Industrials	**6.4%**	6.3%
Materials	**5.0%**	6.5%
Oil & Gas Distribution	**3.8%**	3.4%
Real Estate	**11.9%**	12.4%
Telecommunication Services	**9.5%**	9.6%
Utilities	**6.5%**	7.8%

13. 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 requires 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 June 30, 2023 and December 31, 2022:

June 30, 2023

	Level 1	**Level 2**	**Level 3**	**Total**
Equities	**$ 9,219,964**	**$ -**	**$ -**	**$ 9,219,964**
	$ 9,219,964	**$ -**	**$ -**	**$ 9,219,964**

December 31, 2022

	Level 1	Level 2	Level 3	Total
Equities	$ 9,515,892	$ -	$ -	$ 9,515,892
	$ 9,515,892	$ -	$ -	$ 9,515,892

There were no transfers between levels during the periods ended June 30, 2023 and December 31, 2022.

CORPORATE INFORMATION

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