



MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

BLOOM SELECT INCOME FUND

INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2024

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

Interest Rates

Canadian inflation rates have been subsiding leading to the Bank of Canada feeling comfortable enough to lower interest rates in June. The Fund's focus on investing in low volatility dividend-paying equities should bode well for the performance of the Fund given the added attractiveness of dividends in a lower interest rate environment. These matters are further discussed in the Investment Manager's Report below.

International Conflicts and Tensions

Both the Russian invasion of Ukraine in February 2022 and the more recent tensions in the Middle East may continue to contribute to an increase in short-term market volatility, in addition to possible increases in the costs of goods, commodities and the price of oil. It is uncertain how long these conflicts and tensions will continue and whether they will escalate further. The Manager is actively monitoring the situation.

INVESTMENT MANAGER



For almost 40 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 2, 2024

Canadian Economy

Both investors and consumers alike experienced welcome relief in the latter part of the six months ended June 30, 2024 when the Bank of Canada (BoC) announced a 25-basis point interest rate cut, making it the first G7 country to cut interest rates. It is widely expected that further rate cuts are needed to help ensure a soft landing; however, the timing of additional rate cuts remains uncertain. There is a possibility that the BoC will announce further cuts at its next meeting towards the end of July, although the most recent CPI data indicates that this may be too soon and September may be a more realistic timeframe. Either way, rate cuts of 1.0% this calendar year are now more unlikely with increased likelihood of only one or two additional interest rate cuts totaling 0.50% or 0.75% by year's end.

With stronger growth and spending trends in addition to a tighter job market in the U.S., there is also the question as to how far the BoC can diverge from the Federal Reserve: the expectation for a first rate cut in the U.S. is looking like September as the earliest. However, over the past 50+ years there have been several periods where Canada and the U.S. have demonstrated a divergent monetary policy. Since 2000, the BoC and the Fed have been as far apart on policy rates as 100 basis points, leading the market to believe that this could be possible once again. Clearly, the Canadian dollar can have a limiting effect as

to how far the Canadian and American monetary policies can diverge. On the other hand, a weaker loonie reinforces an easier policy stance, likely resulting in the BoC having to be less aggressive on the rate front than would otherwise be the case.

Canadian CPI came in hotter than expected in May, marking the first time in 2024 that Canadian inflation has been on the high side of consensus. Energy prices fell in May after recent strength, but the higher-than-expected CPI figures highlighted that inflation remains sticky across several sectors of the Canadian economy. Food and services were the two biggest areas from an inflation standpoint. Overall, food prices (groceries and restaurant costs) increased 0.5% month-over-month resulting in an annual increase of 2.4%. Travel tours and hotels saw larger than normal increases in May, boosting inflation in the services sector. Rent, the second largest contributor to annual inflation, rose 0.9% resulting in an annual increase of 8.9% year-on-year, its highest level since the early 1980s. But it was not all unwelcome news as mortgage interest costs, the single largest driver of inflation, rose 0.8% month-over-month, cutting the annual pace of increase to 23.3%. While this remains at an elevated level, it is important to remember that it peaked above 30% last year.

Despite the upwards surprise in the latest CPI results, we do not think this precludes the BoC from further rate cuts. This is partially due to the loss of momentum in the first quarter GDP results when GDP grew by an annualized rate of 1.7%. While annualized quarterly GDP growth is supported by record population growth, GDP per capita continued its downward trend in the first quarter and was approximately 3% below its peak recorded in September 2022. In addition, growth in Q1 GDP did not prevent the unemployment rate from rising further, demonstrating that the Canadian economy has significantly cooled. Expectations are for GDP growth of 0.6% in 2024 and a slight acceleration to just over 1% next year.

Job gains in May remained insufficient to prevent the unemployment rate from rising. Most of the gains were from part-time jobs in Ontario while the unemployment rate increased to 6.2%, in line with expectations. The increase in part-time jobs could indicate, that the labor market is more fragile than the unemployment figures indicate given the number of involuntary part-time employees increasing at a high rate. With a decline in output per worker since the start of monetary tightening in 2022, it suggests that there has been over hiring or companies have retained employees based on the assumption that the current weakness will be temporary. However, if the economy proves to be volatile over the next few months this could result in some layoffs. During the month, both Manitoba and Saskatchewan also experienced an increase in employment with Alberta and B.C. reporting the largest declines in employment. By sector, construction and transportation and warehousing experienced the largest declines contrasting strength in the healthcare and finance sectors. Overall, May employment figures were a mixed bag but further demonstrated that despite sticky wages, there is a growing slack in the Canadian economy. There is an expectation that the unemployment rate will rise to 7.0% by year-end.

Retail sales in Canada rose 0.7% in April, demonstrating a stabilization; however, based on flash estimates, it is expected that May will show a contraction in sales. Spending increased in 8 of the 10 provinces, Alberta leading the way with a 3.1% increase. On a sectoral basis, 7 of the 9 subsectors in April increased, led by gasoline/fuel vendors, food/beverage retailers, sporting goods and health/personal care. Gains were only partially offset by declines in motor vehicles/parts dealers and building material. As interest rates continue to move lower, it is expected that there should be a recovery in retail sales in the coming quarters. However, financing conditions remain an impediment to purchases of big-ticket items such as automobiles. Further, homeowners, who are faced with mortgage renewals, will continue to face a substantial increase in payments which could place increased pressure on retail sales in the short-term.

Despite a decline in Canada's household mortgage debt service ratio in the first quarter, this figure remains high at 8.1% on a seasonally adjusted basis. With interest rates remaining relatively high, households continue to divert an increased amount of mortgage payments to interest, with less being used to pay down the principal amount. In Q1 the interest portion of payments increased to 5.5% of disposable income, the highest level since 1996, with the principal portion declining to 2.6%, the lowest level since 2012. While this is not a crisis level, it will be interesting to see how this changes with a further easing in monetary policy.

Canadian Investment Markets

Canadian equities, in general, have continued to lag their U.S. counterpart for the better part of the past year and a half, largely driven by the significant weighting of technology stocks in the S&P 500 Index. Approximately 30% of the S&P 500 Index is comprised of technology/artificial intelligence stocks; the last time the concentration was at such an elevated level was in 2000, which is cause for concern. While growth has struggled in Canada, the recent BoC interest rate cut should spark a

change suggesting that it is time for investors to be more bullish on the Canadian market. Relative valuations have become very attractive from a historical context, with most of the weakness occurring in interest rate sensitive sectors.

The BoC's early entrance into monetary easing is expected to provide a catalyst for Canadian equities to close the gap in valuations, benefitting many of the under-performing areas of the market. In such an environment, more interest rate sensitive sectors should be clear beneficiaries as we started to see at the beginning of June. We expect investors to turn their attention to "bond proxies" such as the real estate sector, which is currently trading at a significant discount to net asset value - historically, a compelling value proposition. Sectors such as utilities, renewable energy and telecommunication services tend to rely on debt to grow their businesses, and are examples of other industries expected to rebound as the year progresses and into 2025.

The S&P/TSX Composite Index increased 4.4% in the six months ended June 30, 2024 with the S&P/TSX Composite High Dividend Index decreasing 0.03%.

The Canadian bond market had mixed returns in the period. Long-term and mid-term bonds provided negative returns of 6.6% and 1.6% respectively. Short-term bonds managed to provide a slightly positive 0.1% return, while 90-Day Treasury Bills returned a positive 2.6%.

The Loonie during the period declined in value by 3.50% to \$1.3687 against its U.S. counterpart. Canada's move to lower interest rates last month ahead of the U.S. with perhaps another cut coming before the U.S. commences their easing has our dollar under increased pressure.

Fund Performance

Keeping in mind that the Fund is mandated as a low beta Fund, for the six months ended June 30, 2024, the Fund outperformed the S&P/TSX Composite High Dividend Index. During the period, the Fund received welcome news with the announcement that Park Lawn Corporation, one of the Fund's holdings, is to be taken private at a 62% premium. Bloom took the prudent approach and sold the Fund's holding in this name approximately one month prior to the expected closing of the transaction, but eliminating any minor risks associated with the closing, and realizing the gain for the Fund prior to the tax inclusion rate increasing. For the six months ended June 30, 2024, positions in Manulife Financial Corporation, Park Lawn Corporation, and Keyera Corp. were the greatest contributors to performance. The strongest performing sectors for the Fund were Consumer Discretionary, Energy and Financials.

The most recent measure of Active Share for Bloom Select Income Fund was a very high 85.2%. 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 in comparison to the great number of less active managers who provide performance that closely follows the benchmark.

Outlook

With the commencement of an easing in Canada's monetary policy, we expect the valuation gap between Canadian and U.S. equities to narrow. As investors search for income in a lower interest rate environment, we expect dividend-paying equities to perform well. Our investment philosophy of patience and prudence was further demonstrated in the period with the takeover bid for the fund's position in Park Lawn Corp. at a favorable price. We would not be surprised to see similar news for some of our other investments. We are cautiously optimistic on the outlook for the Canadian market and expect our sector of the stock market, dividend-paying equities, with the tailwind of lower interest rates, to outperform the broader market.

RESULTS OF OPERATIONS**Distributions**

During the six months ended June 30, 2024 distributions totaled \$0.25 per unit. The 2024 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 \$6.098602 per unit.

Increase in Net Assets from Operations

The Fund's net investment income was \$0.3 million (\$0.29 per unit) for the six months ended June 30, 2024, arising from average portfolio investments during the period of \$8.8 million. The income was comprised primarily of \$0.4 million in net realized gain on sale of investments and \$0.2 million in dividend and distribution income offset by \$0.3 million net change in unrealized appreciation/depreciation on investments.

Expenses were \$0.2 million (\$0.14 per unit) for the period, the major components being management fees of \$63,827 and other administrative expenses of \$43,782.

Net Asset Value

The net asset value per unit of the Fund was \$7.88 at June 30, 2024, down by 1.3% from \$7.98 at December 31, 2023. The aggregate net asset value of the Fund decreased to \$9.3 million at June 30, 2024 from \$9.4 million at December 31, 2023, 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 \$0.3 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.

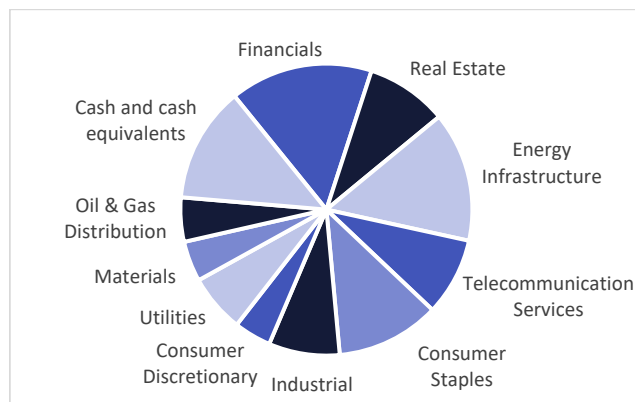
Over the six months to June 30, 2024 the Fund's investment in the Consumer Discretionary sector decreased as a percentage of the portfolio (equities, cash and cash equivalents) from 6.9% to 4.1% due to the sale of the Fund's position in Park Lawn Corporation for a substantial gain after the company announced a going private transaction at a substantial premium to market price. The Financials sector has decreased from 19.5% of the portfolio to 15.9%, due to the sale of a portion of the Fund's holdings in Sun Life Financial Inc. and Manulife Financial Corporation. The Fund's investment in the Real Estate sector decreased from 12.8% of the portfolio to 9.0%, mainly due to the sale of the Fund's holding in Altus Group Ltd. The Fund's position in cash and cash equivalents has increased from 3.6% to 12.8% of the portfolio due to the proceeds of the Fund's dispositions not yet being invested.

The Fund had net unrealized appreciation of \$0.7 million in its portfolio as at June 30, 2024, with significant unrealized gains of \$0.5 million in the Financials sector, \$0.3 million in the Consumer Staples sector, \$0.3 million in the Utilities sector and \$0.2 million in the Energy Infrastructure sector. These unrealized gains are offset by unrealized losses in each of the Telecommunications and Materials sectors.

The Fund had net realized gains of \$0.4 million from the sale of the Fund's holdings in Altus Group Limited, Park Lawn Corporation and Barrick Gold Corporation and trimming of the Fund's positions in Manulife Financial Corporation and Sun Life Financial Inc.

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Portfolio Sectors



Sector	Value (thousands)	% of Total
Financials	\$ 1,475	15.9%
Energy Infrastructure	1,341	14.4%
Cash and cash equivalents	1,193	12.8%
Consumer Staples	1,069	11.5%
Real Estate	840	9.0%
Telecommunication Services	803	8.6%
Industrial	733	7.9%
Utilities	599	6.4%
Oil & Gas Distribution	456	4.9%
Materials	418	4.5%
Consumer Discretionary	384	4.1%
Total	\$ 9,311	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, 2024, management fees amounted to \$63,827.

Services received by the Fund in consideration of the management fee, as an approximate percentage of the management fee, comprise portfolio advisory services (50%) and administrative services (50%). 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, 2024 the Fund expensed IRC fees of \$19,503, filing fees of \$266, wire service fees of \$407, and unitholder information costs of \$3,978, 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, 2024 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, 2024 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,

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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.

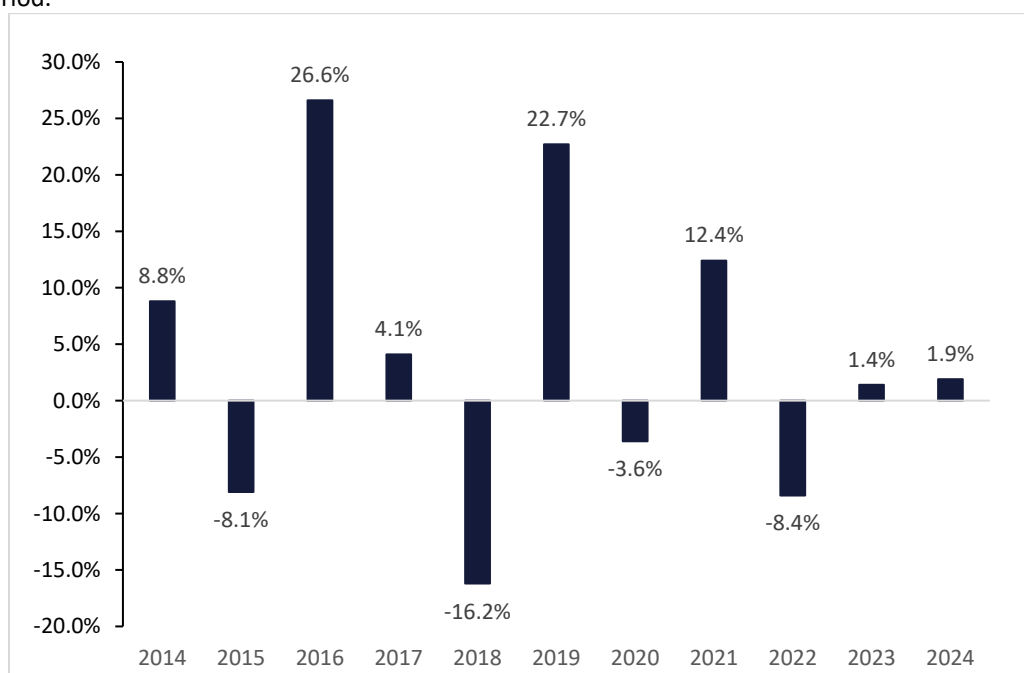
	One year	Three years	Five years	Ten years	Since inception (1)
Bloom Select Income Fund (net of fees and expenses)	2.8%	-1.9%	1.8%	2.2%	4.0%
S&P/TSX Composite Index	8.5%	2.8%	6.0%	3.7%	4.9%
S&P/TSX Composite Total Return Index	12.1%	6.0%	9.3%	6.9%	8.2%
S&P/TSX Composite High Dividend Index	0.7%	1.0%	3.3%	0.4%	1.9%
S&P/TSX Composite High Dividend Total Return Index	6.6%	6.2%	8.7%	5.7%	7.4%

(1) Period from April 20, 2012 (commencement of operations) to June 30, 2024

The Fund outperformed the HD Index for the one- and ten-year periods ended June 30, 2024 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.



2014 to 2023: Year from January 1 to December 31

2024: 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, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net assets per unit, beginning of period ⁽²⁾	\$ 7.98	\$ 8.37	\$ 9.66	\$ 9.05	\$ 9.96
Increase (decrease) from operations: ⁽²⁾					
Total revenue	0.18	0.37	0.33	0.34	0.32
Total expenses	(0.14)	(0.28)	(0.29)	(0.27)	(0.25)
Net realized gains (losses)	0.36	(0.62)	0.29	0.25	0.77
Net unrealized gains (losses)	(0.25)	0.59	(1.16)	0.79	(1.39)
Total increase (decrease) in net assets from operations	\$ 0.15	\$ 0.06	\$ (0.83)	\$ 1.11	\$ (0.55)
Distributions to unitholders ⁽²⁾⁽³⁾					
From net investment income	-	(0.02)	-	-	(0.02)
From return of capital	(0.25)	(0.48)	(0.50)	(0.50)	(0.48)
Total distributions to unitholders	\$ (0.25)	\$ (0.50)	\$ (0.50)	\$ (0.50)	\$ (0.50)
Net assets per unit, end of period ⁽²⁾	\$ 7.88	\$ 7.98	\$ 8.37	\$ 9.66	\$ 9.05

⁽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⁾ \$23,767 (2023: \$60,142; 2022: \$64,960; 2021: \$68,241; 2020: \$72,303) of distributions were reinvested in units under the Fund's distribution reinvestment plan ("DRIP"). The remainder of the distributions were paid in cash.

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Ratios and Supplemental Data

For the fiscal period ended	June 30, 2024	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020
Net asset value (000s) ⁽¹⁾	\$9,274	\$9,370	\$10,525	\$12,937	\$12,313
Number of units outstanding ⁽¹⁾	1,177,071	1,174,060	1,257,840	1,338,996	1,360,130
Management expense ratio ("MER") ⁽²⁾	3.59%	3.42%	3.22%	2.75%	2.82%
Trading expense ratio ⁽³⁾	0.04%	0.01%	0.02%	0.02%	0.06%
Portfolio turnover rate ⁽⁴⁾	1.57%	1.47%	8.16%	6.60%	17.78%
Net Asset Value per Unit ⁽¹⁾	\$7.88	\$7.98	\$8.37	\$9.66	\$9.05
Closing market price ⁽¹⁾	\$7.49	\$7.31	\$8.02	\$9.18	\$8.71

⁽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 3.59% for the six months ended June 30, 2024, up from an MER of 3.42% in the year ended December 31, 2023. The increase is primarily due to the lower average net asset value in the six months ended June 30, 2024 compared to the year ended December 31, 2023.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2024

Total Net Assets (including Cash, Short Term Investments and Other Net Assets)		\$9,274,069
Portfolio Composition	% of Portfolio	% of Total Net Assets
Financials	15.9%	15.9%
Energy Infrastructure	14.4%	14.4%
Cash	12.8%	12.9%
Consumer Staples	11.5%	11.5%
Real Estate	9.0%	9.1%
Telecommunication Services	8.6%	8.7%
Industrials	7.9%	7.9%
Utilities	6.4%	6.5%
Oil & Gas Distribution	4.9%	4.9%
Materials	4.5%	4.5%
Consumer Discretionary	4.1%	4.1%
Total Investment Portfolio	100.0%	100.4%
Other Non-Debt Net Assets (Liabilities)		(0.4%)
Total Net Assets		100.0%

Top 25 Holdings	% of Portfolio	% of Total Net Assets
Cash and cash equivalents	12.8%	12.9%
Premium Brands Holdings Corporation	5.8%	5.8%
Keyera Corp.	5.5%	5.6%
Parkland Corporation	4.9%	4.9%
Chemtrade Logistics Income Fund	4.5%	4.5%
Enbridge Inc.	4.4%	4.5%
Gibson Energy Inc.	4.4%	4.4%
Rogers Communications Inc. Class B	4.4%	4.4%
TELUS Corporation	4.2%	4.2%
TD Bank Group	4.2%	4.2%
Transcontinental Inc. Class A	4.1%	4.1%
Empire Company Limited Class A	4.1%	4.1%
Superior Plus Corp.	4.0%	4.1%
Manulife Financial Corporation	4.0%	4.0%
Choice Properties Real Estate Investment Trust	3.9%	4.0%
Bank of Nova Scotia	3.8%	3.9%
Aecon Group Inc.	3.8%	3.8%
Sun Life Financial Inc.	3.8%	3.8%
Canadian Apartment Properties Real Estate Investment Trust	3.6%	3.6%
Boralex Inc.	3.5%	3.5%
Northland Power Inc.	2.9%	2.9%
Jamieson Wellness Inc.	1.6%	1.6%
Allied Properties REIT	1.5%	1.5%

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.

*Securities legislation requires the Fund's top 25 holdings to be presented. However, the Fund currently has less than 25 holdings.

NOTICE

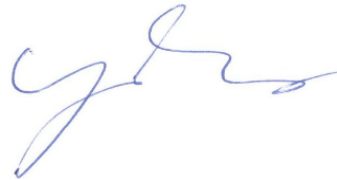
The accompanying unaudited financial statements of Bloom Select Income Fund (the “Fund”) have been prepared by Bloom Investment Counsel, Inc. (the “Manager” of the Fund) and approved by the Board of Directors of the Manager. The statements have not been reviewed by the external auditors of the Fund.

Signed

A handwritten signature in blue ink, appearing to read "M. Paul Bloom".

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

Signed

A handwritten signature in blue ink, appearing to read "Fiona E. Mitra".

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

August 12, 2024

STATEMENTS OF FINANCIAL POSITION (unaudited)

As at	June 30, 2024	December 31, 2023
Assets		
Current assets		
Investments at fair value	\$ 8,117,474	\$ 9,092,460
Cash and cash equivalents (note 5)	1,193,397	336,982
Dividends and distributions receivable	52,771	52,563
Prepaid expenses and other assets (note 10)	12,524	7,768
Total assets	9,376,166	9,489,773
Liabilities		
Current liabilities		
Distributions payable to unitholders	49,044	48,928
Accrued liabilities (note 10)	53,053	71,245
Total liabilities	102,097	120,173
Unitholders' equity (note 6)		
Unitholders' capital	5,111,931	5,382,118
Retained earnings	4,162,138	3,987,482
Net assets representing unitholders' equity	\$ 9,274,069	\$ 9,369,600
Net assets per unit	\$ 7.88	\$ 7.98

The accompanying notes are an integral part of these financial statements

BLOOM SELECT INCOME FUND - INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2024

STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the six months ended	June 30, 2024	June 30, 2023
Income		
Net gain (loss) on investments		
Dividend and distribution income	\$ 217,428	\$ 208,584
Interest for distribution purposes	694	21,159
Net realized gain (loss) on sale of investments	421,926	(843,630)
Net change in unrealized appreciation or depreciation on investments	(297,953)	857,154
Total net gain (loss) on investments	342,095	243,267
Other income		
Foreign exchange loss on cash	-	(3)
Total other income (loss)	-	(3)
Total income (loss)	342,095	243,264
Expenses (note 9)		
Management fees (note 10)	63,827	73,558
Independent Review Committee fees (note 10)	19,266	19,333
Audit fees	15,488	15,364
Custody fees	11,385	11,313
Unitholder reporting costs (note 10)	6,993	13,819
Legal fees	5,032	2,834
Portfolio transaction costs (note 11)	1,666	762
Other administrative expenses (note 10)	43,782	43,102
Total expenses	167,439	180,085
Increase in net assets from operations	\$ 174,656	\$ 63,179
Weighted average units outstanding during the period	1,175,599	1,259,786
Increase in net assets from operations per unit (note 3(i))	\$ 0.15	\$ 0.05

STATEMENTS OF CHANGES IN NET ASSETS (unaudited)

For the six months ended June 30, 2024 and 2023	Unitholders' capital	Retained earnings	Total
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
Balance at January 1, 2024	\$ 5,382,118	\$ 3,987,482	\$ 9,369,600
Increase in net assets from operations	-	174,656	174,656
Distributions to unitholders (note 8)	(293,954)	-	(293,954)
Reinvestment of distributions (note 8)	23,767	-	23,767
Balance at June 30, 2024	\$ 5,111,931	\$ 4,162,138	\$ 9,274,069

The accompanying notes are an integral part of these financial statements

BLOOM SELECT INCOME FUND - INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2024**STATEMENTS OF CASH FLOWS (unaudited)**

For the six months ended	June 30, 2024	June 30, 2023
Cash flows from operating activities		
Increase in net assets from operations	\$ 174,656	\$ 63,179
Adjustment for:		
Net realized (gain) loss on sale of investments	(421,926)	843,630
Net change in unrealized appreciation or depreciation on investments	297,953	(857,154)
(Increase) decrease in dividends and distributions receivable	(209)	395
(Increase) decrease in prepaid expenses and other assets	(4,756)	1,985
Increase (decrease) in accrued liabilities	(18,191)	7,419
Operating cash flows:		
Purchases of investments	(139,100)	(135,143)
Proceeds from sale of investments	1,226,149	433,594
Return of capital received	4,185	7,683
Capital gains distributions received	7,725	3,318
Net cash from operating activities	1,126,486	368,906
Cash flows used in financing activities		
Distributions paid to holders of redeemable units, net of reinvestments	(270,071)	(282,252)
Net cash used in financing activities	(270,071)	(282,252)
Net increase in cash and cash equivalents	856,415	86,654
Cash and cash equivalents at beginning of period (note 5)	336,982	1,078,191
Cash and cash equivalents at end of period (note 5)	\$ 1,193,397	\$ 1,164,845
Interest received	\$ -	\$ 20,735
Dividends and distributions received	\$ 217,219	\$ 208,979

The accompanying notes are an integral part of these financial statements

BLOOM SELECT INCOME FUND - INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2024

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2024		Cost	Fair Value
No. of Units/ Shares			
	Canadian Equities		
	Consumer Discretionary		
25,400	Transcontinental Inc. Class 'A'	404,848	384,048
		404,848	384,048
	Consumer Staples		
10,900	Empire Company Limited Class 'A'	392,004	381,173
5,200	Jamieson Wellness Inc.	139,266	150,852
5,700	Premium Brands Holdings Corporation	217,933	537,111
		749,203	1,069,136
	Energy Infrastructure		
8,500	Enbridge Inc.	382,176	413,695
17,700	Gibson Energy Inc.	345,722	411,525
13,600	Keyera Corp.	410,148	515,304
		1,138,046	1,340,524
	Financials		
5,700	Bank of Nova Scotia	322,565	356,706
10,200	Manulife Financial Corporation	255,461	371,586
5,300	Sun Life Financial Inc.	207,525	355,524
5,200	TD Bank Group	223,112	391,040
		1,008,712	1,474,856
	Industrial		
21,000	Aecon Group Inc.	416,434	356,580
42,400	Superior Plus Corp.	395,961	376,088
		812,395	732,668
	Materials		
45,200	Chemtrade Logistics Income Fund	638,927	417,648
		638,927	417,648
	Oil & Gas Distribution		
11,900	Parkland Corporation	308,461	456,365
		308,461	456,365
	Real Estate		
9,200	Allied Properties REIT	261,854	140,852
7,500	Canadian Apartment Properties REIT	365,283	333,375
28,500	Choice Properties REIT	350,528	365,940
		977,665	840,167
	Telecommunication Services		
8,100	Rogers Communications Inc., Class 'B'	497,219	409,860
18,992	TELUS Corp.	507,718	393,324
		1,004,937	803,184
	Utilities		
9,800	Boralex Inc.	144,352	328,398
11,500	Northland Power Inc.	192,393	270,480
		336,745	598,878
	Total Canadian equities	\$ 7,379,939	\$ 8,117,474
	Embedded broker commissions	(9,478)	
	Total investments	\$ 7,370,461	\$ 8,117,474

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2024

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 12, 2024.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) 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 Accounting Standards 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 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, 2024 (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, 2024 (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.

BLOOM SELECT INCOME FUND - INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2024**NOTES TO FINANCIAL STATEMENTS (unaudited)***June 30, 2024 (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, 2024, the Fund had no non-capital losses carried forward (December 31, 2023 - 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, 2024, the Fund had \$1,017,259 capital losses available for carryforward (December 31, 2023 – \$1,017,259).

5. CASH AND CASH EQUIVALENTS

The Fund's cash and cash equivalents as at June 30, 2024 and December 31, 2023 comprised the following:

	June 30, 2024	December 31, 2023
Cash	\$ 96,756	\$ 366,982
Cash equivalents	1,096,641	-
	<u>\$ 1,193,397</u>	<u>\$ 366,982</u>

Cash equivalents at June 30, 2024 comprised:

Type	Issuer	DBRS Credit Rating of Issuer	Par Value \$	Maturity Date	Coupon	Fair Value \$
Promissory note	Province of Alberta	R-1/Stable	1,100,000	July 25, 2024	4.66%	1,096,641

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 2023 annual redemption took place on October 30, 2023 and consisted of 91,134 units for redemption proceeds of \$670,156 payable on November 18, 2023.

Unit transactions of the Fund for the six months ended June 30, 2024 and 2023 were as follows:

	June 30, 2024	June 30, 2023
Units outstanding at beginning of period	1,174,060	1,257,840
Reinvestment of distributions	3,011	3,831
Units outstanding at end of period	<u>1,177,071</u>	<u>1,261,671</u>

NOTES TO FINANCIAL STATEMENTS (unaudited)*June 30, 2024 (continued)*

The closing market price of the Fund's units on June 30, 2024 was \$7.49 (December 31, 2023 - \$7.31).

7. CAPITAL MANAGEMENT

For operating purposes, redeemable units issued and outstanding are considered to be the capital of the Fund. As at June 30, 2024 the Fund's capital therefore comprised net assets of \$9,274,069 (December 31, 2023 - \$9,369,600). 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, 2024, the Fund declared total distributions of \$0.25 (2023 - \$0.25) per unit, which amounted to \$293,954 (2023 - \$315,017). 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, 2024, distributions of \$23,767 were reinvested in 3,011 units of the Fund which were issued from treasury (2023 - distributions of \$32,615 were reinvested in 3,831 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.

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.

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, 2024 the Fund expensed management fees of \$63,827 (2023 - \$73,558). As at June 30, 2024, the Fund had management fees payable of \$10,622 (December 31, 2023 - \$10,664) 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, 2024 the Fund expensed the following amounts which were paid and recharged by the Manager: IRC fees of \$19,503 (2023 - \$19,333), filing fees of \$266 (2023 - \$257) and wire service fees of \$407 (2023 - \$392) (both included in 'unitholder reporting costs'), and unitholder information costs of \$3,978 (2023 - \$3,242) and premiums for insurance coverage for members of the IRC of \$nil (2023 - \$1,195) (both included in 'other administrative

NOTES TO FINANCIAL STATEMENTS (unaudited)*June 30, 2024 (continued)*

expenses'). As at June 30, 2024 the Fund owed the Manager \$640 for recharged expenses (December 31, 2023 – \$593) included in accrued liabilities.

Units held by the Manager and its affiliates represent 16.0% of the units outstanding as at June 30, 2023 (December 31, 2023 – 16.0%).

11. PORTFOLIO TRANSACTION COSTS

During the six months ended June 30, 2024 the Fund paid \$1,666 (2023 – \$762) 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, 2024 and December 31, 2023.

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.

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

NOTES TO FINANCIAL STATEMENTS (unaudited)*June 30, 2024 (continued)*

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, 2024, 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 \$811,747 (December 31, 2023 - \$909,246) or 8.8% (December 31, 2023 – 9.7% 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, 2024 and December 31, 2023, 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, 2024 and December 31, 2023, the Fund had no direct exposure to currency risk since none of its financial instruments were denominated in foreign currencies.

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, 2024 and December 31, 2023:

Market Segment	June 30, 2024	December 31, 2023
Consumer Discretionary	4.1%	6.9%
Consumer Staples	11.5%	9.8%
Energy Infrastructure	14.4%	12.8%
Financials	15.9%	19.7%
Industrials	7.9%	7.3%
Materials	4.5%	5.7%
Oil & Gas Distribution	4.9%	5.4%
Real Estate	9.1%	12.8%
Telecommunication Services	8.7%	10.1%
Utilities	6.5%	6.5%

NOTES TO FINANCIAL STATEMENTS (unaudited)*June 30, 2024 (continued)***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, 2024 and December 31, 2023:

June 30, 2024

	Level 1	Level 2	Level 3	Total
Equities	\$ 8,117,474	\$ -	\$ -	\$ 8,117,474
	\$ 8,117,474	\$ -	\$ -	\$ 8,117,474

December 31, 2023

	Level 1	Level 2	Level 3	Total
Equities	\$ 9,092,460	\$ -	\$ -	\$ 9,092,460
	\$ 9,092,460	\$ -	\$ -	\$ 9,092,460

There were no transfers between levels during the periods ended June 30, 2024 and December 31, 2023.

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