



RP Strategic Income Plus Fund

Annual Audited Financial Statements
December 31, 2018

RP Strategic Income Plus Fund

Table of Contents

Title	Page
Independent Auditor's Report	1
Statement of Financial Position	3
Statement of Comprehensive Income	4
Statement of Changes in Net Assets Attributable to Holders of Redeemable Units	5
Statement of Cash Flows	6
Schedule of Investment Portfolio	7-9
Notes to the Financial Statements	10-25

Independent Auditor's Report

To the Unitholders of
RP Strategic Income Plus Fund

Opinion

We have audited the financial statements of RP Strategic Income Plus Fund (the "Fund") which comprise the statements of financial position as at December 31, 2018 and 2017, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management Report of Fund Performance

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The signature "Deloitte LLP" is written in a cursive, handwritten style in black ink.

Chartered Professional Accountants
Licensed Public Accountants
March 7, 2019

RP Strategic Income Plus Fund

Statement of Financial Position

As at December 31

(expressed in Canadian dollars, unless indicated otherwise)

	2018	2017
	\$	\$
Assets		
Current assets		
Investments at fair value	1,361,932,137	911,027,908
Cash	43,963,043	174,549,752
Receivable for investments sold	14,553,639	31,326,778
Interest receivable	10,080,473	7,545,341
Subscriptions receivable	486,657	364,763
Derivative assets	368,465	3,245,721
Operating fees rebate receivable (Note 8)	342,522	282,722
Total assets	1,431,726,936	1,128,342,985
Liabilities		
Current liabilities		
Payable for investments purchased	65,595,371	47,789,667
Investments sold short at fair value	31,054,691	32,947,033
Derivative liabilities	11,175,714	129,169
Redemptions payable	1,520,041	153,272
Management fees payable (Note 8)	477,256	447,613
Operating fees payable (Note 8)	295,883	249,329
Interest payable	148,609	415,583
Total liabilities	110,267,565	82,131,666
Net assets attributable to holders of redeemable units	1,321,459,371	1,046,211,319
Net assets attributable to holders of redeemable units per class		
Class A	65,270,729	66,327,155
Class F	446,576,925	442,904,109
Class M	252,092	-
Class O	793,029,746	536,980,055
Class A-USD	1,352,435	-
Class F-USD	14,977,444	-
	1,321,459,371	1,046,211,319
Net assets attributable to holders of redeemable units per unit		
Class A	9.91	10.34
Class F	9.92	10.37
Class M	9.48	-
Class O	9.72	10.25
Class A-USD	USD 9.60	-
Class F-USD	USD 9.58	-

Approved by the Trustee, RP Investment Advisors LP



Chief Executive Officer
RP Investment Advisors LP,
By its general partner, RP Investment Advisors GP Inc.

RP Strategic Income Plus Fund

Statement of Comprehensive Income

For the year ended December 31

(expressed in Canadian dollars, unless indicated otherwise)

	2018	2017
	\$	\$
Income		
Interest income for distribution purposes	52,750,136	34,105,965
Derivative income	119,818	23,831
Dividend income	-	16,615
Changes in fair value of investments, derivatives and cash		
Net realized gains (losses)	(74,963,760)	34,069,318
Net change in unrealized gains (losses)	13,723,356	(15,279,706)
Total income	<u>(8,370,450)</u>	<u>52,936,023</u>
Expenses		
Interest on securities sold short and loan fees	1,467,324	896,347
Management fees (Note 8)	6,323,403	3,464,925
Operating fees (Note 8)	3,112,148	2,252,942
Derivative expenses	128,299	-
Tax expenses	376,775	347,387
Trade fees expenses	247,192	211,103
Fund expenses (Note 8)	91,196	174,557
Total expenses	<u>11,746,337</u>	<u>7,347,261</u>
Operating fees rebate (Note 8)	(666,137)	(282,722)
Net expenses	<u>11,080,200</u>	<u>7,064,539</u>
Increase (decrease) in net assets attributable to holders of redeemable units	<u>(19,450,650)</u>	<u>45,871,484</u>
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	(1,595,541)	1,537,303
Class F	(10,034,626)	11,093,334
Class M	(4,849)	-
Class O	(8,515,937)	33,240,847
Class A-USD	67,904	-
Class F-USD	632,399	-
	<u>(19,450,650)</u>	<u>45,871,484</u>
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Class A	(0.23)	0.38
Class F	(0.20)	0.41
Class M	(0.09)	-
Class O	(0.13)	0.59
Class A-USD	(0.20)	-
Class F-USD	(0.19)	-

RP Strategic Income Plus Fund

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31

(expressed in Canadian dollars, unless indicated otherwise)

	Class A	Class F	Class M	Class O	Class A-USD	Class F-USD	2018 Total
	\$	\$	\$	\$	\$	\$	\$
Net assets attributable to holders of redeemable units at beginning of year	66,327,155	442,904,109	-	536,980,055	-	-	1,046,211,319
Increase (decrease) in net assets attributable to holders of redeemable units	(1,595,541)	(10,034,626)	(4,849)	(8,515,937)	67,904	632,399	(19,450,650)
Distribution to holders of redeemable units							
from net investment income	(1,467,924)	(12,916,165)	(18,530)	(28,686,177)	(30,550)	(314,200)	(43,433,546)
from operating fees rebate	(39,140)	(284,318)	(307)	(334,473)	(906)	(6,993)	(666,137)
	(1,507,064)	(13,200,483)	(18,837)	(29,020,650)	(31,456)	(321,193)	(44,099,683)
Redeemable unit transactions							
Proceeds from redeemable units issued	27,870,428	251,881,372	-	265,839,167	1,998,661	16,954,224	564,543,852
Reinvestments of distribution to holders of redeemable units	1,258,155	9,282,270	18,358	29,020,650	3,107	281,184	39,863,724
Switch In (Out)	(3,883,524)	2,696,968	1,186,556	-	(39,111)	39,111	-
Redemption of redeemable units	(23,198,880)	(236,952,685)	(929,136)	(1,273,539)	(646,670)	(2,608,281)	(265,609,191)
	2,046,179	26,907,925	275,778	293,586,278	1,315,987	14,666,238	338,798,385
Net increase (decrease) in net assets attributable to holders of redeemable units	(1,056,426)	3,672,816	252,092	256,049,691	1,352,435	14,977,444	275,248,052
Net assets attributable to holders of redeemable units at end of year	65,270,729	446,576,925	252,092	793,029,746	1,352,435	14,977,444	1,321,459,371
	Class A	Class F	Class M	Class O	Class A-USD	Class F-USD	2017 Total
	\$	\$	\$	\$	\$	\$	\$
Net assets attributable to holders of redeemable units at beginning of year	16,072,664	110,483,218	-	546,023,761	-	-	672,579,643
Increase (decrease) in net assets attributable to holders of redeemable units	1,537,303	11,093,334	-	33,240,847	-	-	45,871,484
Distribution to holders of redeemable units							
from net investment income	(1,255,296)	(9,041,064)	-	(18,263,363)	-	-	(28,559,723)
from dividends	(921)	(6,100)	-	(9,594)	-	-	(16,615)
from net realized gains	(1,293,665)	(8,569,303)	-	(13,476,218)	-	-	(23,339,186)
from operating fees rebate	(17,918)	(119,649)	-	(145,155)	-	-	(282,722)
	(2,567,800)	(17,736,116)	-	(31,894,330)	-	-	(52,198,246)
Redeemable unit transactions							
Proceeds from redeemable units issued	62,712,218	359,960,415	-	80,027,438	-	-	502,700,071
Reinvestments of distribution to holders of redeemable units	2,193,603	12,496,722	-	27,330,428	-	-	42,020,753
Switch In (Out)	(4,172,104)	4,596,581	-	(424,477)	-	-	-
Redemption of redeemable units	(9,448,729)	(37,990,045)	-	(117,323,612)	-	-	(164,762,386)
	51,284,988	339,063,673	-	(10,390,223)	-	-	379,958,438
Net increase (decrease) in net assets attributable to holders of redeemable units	50,254,491	332,420,891	-	(9,043,706)	-	-	373,631,676
Net assets attributable to holders of redeemable units at end of year	66,327,155	442,904,109	-	536,980,055	-	-	1,046,211,319

RP Strategic Income Plus Fund

Statement of Cash Flows

For the year ended December 31

(expressed in Canadian dollars, unless indicated otherwise)

	2018	2017
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(19,450,650)	45,871,484
Adjustment for:		
Net realized (gains) losses on investments	20,529,065	(7,627,726)
Net change in unrealized (gains) losses on investments	(23,648,266)	19,322,343
Purchases of investments	(19,800,487,587)	(14,660,702,064)
Purchases to cover short positions	(2,747,930,054)	(3,111,723,293)
Proceeds from sale of investments	19,349,966,087	14,365,833,222
Proceeds from investments sold short	2,748,774,184	3,120,771,092
(Increase) decrease in receivable for investments sold	16,773,139	(28,875,552)
(Increase) decrease in derivative assets	2,877,256	(1,540,944)
(Increase) decrease in operating fees rebate receivable	(59,800)	(282,722)
(Increase) decrease in interest receivable	(2,535,132)	(1,987,480)
(Increase) decrease in prepaid fund expenses	-	7,688
Increase (decrease) in payable for investments purchased	17,805,704	45,144,491
Increase (decrease) in derivative liabilities	11,046,545	(2,545,690)
Increase (decrease) in other liabilities	76,197	445,315
Increase (decrease) in interest payable	(266,974)	361,307
Net cash provided by (used in) operating activities	(426,530,286)	(217,528,529)
Cash flows used in financing activities		
Proceeds from redeemable units issued	564,421,958	504,681,598
Amounts paid on redemption of redeemable units	(264,242,422)	(164,634,214)
Distribution paid to holders of redeemable units, net of reinvested distributions	(4,235,959)	(10,177,493)
Net cash provided by (used in) used in financing activities	295,943,577	329,869,891
Increase (decrease) in cash during the year	(130,586,709)	112,341,362
Cash - Beginning of year	174,549,752	62,208,390
Cash - End of year	43,963,043	174,549,752
Supplementary information		
Interest received	50,215,004	32,118,485
Interest paid	1,734,298	535,040
Dividend received	-	16,615

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Number of Shares/Par Value	Security Description	Local Currency	Average Cost (Proceeds) (\$)	Fair Value (\$)	%
Long-term Debt Securities					
4,746,000	AIR CANADA 4.75% 10/06/2023	CAD	4,855,004	4,808,291	0.36%
11,250,000	ANHEUSER-BUSCH CO/INBEV 4.9% 02/01/2046	USD	14,237,324	14,266,833	1.08%
14,844,000	ATHABASCA OIL CORP 9.875% 02/24/2022	USD	19,750,365	18,730,381	1.42%
20,861,000	BACARDI LTD 5.15% 05/15/2038	USD	26,105,013	26,392,494	2.00%
1,800,000	BANCO BILBAO VIZCAYA ARGENTA 7% 12/31/2049	EUR	2,757,991	2,813,569	0.21%
6,871,000	BANK OF AMERICA CORP 4.271% 07/23/2029	USD	9,320,839	9,367,095	0.71%
3,403,000	BANKUNITED INC 4.875% 11/17/2025	USD	4,591,268	4,739,888	0.36%
3,000,000	BELL CANADA 3.55% 03/02/2026	CAD	2,970,330	2,975,265	0.23%
3,404,000	BGC PARTNERS INC 5.125% 05/27/2021	USD	4,500,653	4,711,029	0.36%
12,553,000	BGC PARTNERS INC 5.375% 07/24/2023	USD	16,542,829	17,426,510	1.32%
8,412,000	BROOKFIELD INFRASTRUCTURE FINANCE ULC 3.315% 02/22/2024	CAD	8,360,984	8,254,317	0.62%
8,793,000	BROOKFIELD INFRASTRUCTURE FINANCE ULC 4.193% 09/11/2028	CAD	8,781,368	8,601,796	0.65%
13,812,000	BROOKFIELD PROPERTY FINANCE ULC 4.346% 07/03/2023	CAD	13,828,011	13,855,922	1.05%
18,604,000	CANADIAN GOVERNMENT 1.5% 06/01/2026	CAD	17,748,158	18,048,485	1.37%
10,551,000	CANADIAN GOVERNMENT 1% 06/01/2027	CAD	9,406,916	9,777,928	0.74%
79,424,000	CANADIAN GOVERNMENT 2.75% 12/01/2048	CAD	88,664,453	89,293,227	6.77%
2,148,000	CANADIAN GOVERNMENT 1.5% 06/01/2023	CAD	2,088,269	2,113,557	0.16%
76,253,000	CANADIAN GOVERNMENT 2% 06/01/2028	CAD	75,070,005	76,482,522	5.79%
81,752,000	CANADIAN GOVERNMENT 2% 09/01/2023	CAD	81,360,140	82,169,344	6.22%
4,374,000	CANTOR FITZGERALD LP 7.875% 10/15/2019	USD	6,249,974	6,161,169	0.47%
3,000,000	CANTOR FITZGERALD LP 6.5% 06/17/2022	USD	4,103,197	4,282,366	0.32%
6,700,000	CHOICE PROPERTIES REIT 3.556% 09/09/2024	CAD	6,700,000	6,606,468	0.50%
2,715,000	CHOICE PROPERTIES REIT 3.546% 01/10/2025	CAD	2,703,320	2,661,515	0.20%
11,613,000	CIT GROUP INC 4.75% 02/16/2024	USD	15,188,029	15,244,872	1.15%
3,729,000	CIT GROUP INC 5% 08/01/2023	USD	4,939,220	5,038,542	0.38%
7,500,000	CITIGROUP INC 4.075% 04/23/2029	USD	9,961,984	9,973,803	0.75%
8,930,000	CREDIT SUISSE GROUP AG 2.997% 12/14/2023	USD	11,272,183	11,616,603	0.88%
9,113,000	CYRUSONE LP/CYRUSONE FINANCIAL CORP 5% 03/15/2024	USD	12,086,605	12,309,363	0.93%
18,430,000	DEUTSCHE BANK NY 4.875% 12/01/2032	USD	20,819,119	19,739,180	1.49%
1,696,000	DEUTSCHE BANK NY FLOATING 01/22/2021	USD	2,179,598	2,232,002	0.17%
13,108,000	DEUTSCHE BANK NY FLOATING 02/27/2023	USD	16,574,124	16,675,868	1.26%
5,000,000	DEUTSCHE BANK NY FLOATING 07/13/2020	USD	6,549,377	6,683,809	0.51%
4,387,000	E*TRADE FINANCIAL CORP 5.3% 12/31/2049	USD	5,565,500	4,942,740	0.37%
16,795,000	E*TRADE FINANCIAL CORP 3.8% 08/24/2027	USD	20,844,039	21,541,486	1.63%
16,916,000	ENBRIDGE INC 6.25% 03/01/2078	USD	20,857,862	20,799,408	1.57%
2,460,000	ENERGEN CORP 4.625% 09/01/2021	USD	3,209,187	3,300,809	0.25%
475,000	ENERGY TRANSFER LP 7.5% 10/15/2020	USD	659,550	678,508	0.05%
7,203,000	ENMAX CORP 3.836% 06/05/2028	CAD	7,204,902	7,375,224	0.56%
335,000	EQUIFAX INC 6.9% 07/01/2028	USD	498,914	526,887	0.04%
12,247,000	FAIRFAX FINL HLDGS LTD 4.85% 04/17/2028	USD	15,735,275	16,055,582	1.21%
5,365,000	FIRST QUANTUM MINERALS LTD 7.25% 04/01/2023	USD	6,561,600	6,474,735	0.49%
19,000,000	FORD MOTOR CREDIT CO LLC FLOATING 09/24/2020	USD	24,553,700	25,606,883	1.94%
17,395,000	GENERAL MOTORS CO FLOATING 09/10/2021	USD	22,630,179	23,254,157	1.76%
10,003,000	H&R REAL ESTATE INVESTMENT TRUST 3.416% 01/23/2023	CAD	9,999,892	9,826,397	0.74%
11,840,000	JPMORGAN CHASE & CO 4.452% 12/05/2029	USD	16,404,636	16,437,507	1.24%
7,248,000	KINROSS GOLD CORP 5.95% 03/15/2024	USD	9,834,656	9,975,347	0.75%
2,059,000	LAND O'LAKES INC 7% 12/31/2049	USD	2,716,034	2,745,365	0.21%
4,519,000	MDC HOLDINGS INC 6% 01/15/2043	USD	5,096,324	4,853,272	0.37%
8,965,000	MEG ENERGY CORP 6.5% 01/15/2025	USD	11,795,098	12,347,248	0.93%
3,172,000	MOLINA HEALTHCARE INC 5.375% 11/15/2022	USD	4,215,878	4,204,397	0.32%
7,228,000	MOLSON COORS INTL LP 3.44% 07/15/2026	CAD	7,276,497	6,837,471	0.52%
4,350,000	MOLSON COORS INTL LP 2.84% 07/15/2023	CAD	4,351,315	4,202,709	0.32%
6,635,000	NGPL PIPECO LLC 7.768% 12/15/2037	USD	10,207,342	10,368,475	0.78%
4,317,000	NXP BV/NXP FUNDING LLC 3.875% 09/01/2022	USD	5,551,714	5,729,724	0.43%
1,722,000	NXP BV/NXP FUNDING LLC 4.125% 06/15/2020	USD	2,314,215	2,340,445	0.18%
19,820,000	NXP BV/NXP FUNDING LLC 4.625% 06/15/2022	USD	26,270,519	26,938,356	2.04%
11,135,000	PERRIGO FINANCE UNLIMITD 4.9% 12/15/2044	USD	14,059,753	13,350,762	1.01%
18,022,000	ROYAL BK SCOTLND GRP PLC 6.1% 06/10/2023	USD	24,824,019	25,006,464	1.89%
24,083,000	ROYAL BK SCOTLND GRP PLC 6% 12/19/2023	USD	32,686,010	33,331,595	2.52%
40,411,000	SANTANDER UK PLC 5% 11/07/2023	USD	55,285,862	54,109,524	4.09%
4,100,000	SEAGATE HDD CAYMAN 4.875% 03/01/2024	USD	5,424,224	5,146,883	0.39%
3,386,000	SILVERSEA CRUISE FINANCE 7.25% 02/01/2025	USD	4,813,700	4,893,317	0.37%
8,161,000	SUNCOR ENERGY INC 3% 09/14/2026	CAD	7,832,024	7,891,075	0.60%
24,890,000	SUNCOR ENERGY VENTURES 4.5% 04/01/2022	USD	32,734,597	34,419,116	2.60%
14,309,000	SYNOVUS FINANCIAL CORP 5.75% 12/15/2025	USD	19,371,116	19,877,143	1.50%

The accompanying notes are an integral part of these financial statements

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Number of Shares/Par Value	Security Description	Local Currency	Average Cost (Proceeds) (\$)	Fair Value (\$)	%
24,852,000	SYSCO CANADA INC 3.65% 04/25/2025	CAD	24,805,661	24,974,396	1.89%
4,445,000	TELUS CORP 4.85% 04/05/2044	CAD	4,570,891	4,420,019	0.33%
10,780,000	TELUS CORP 4.4% 01/29/2046	CAD	10,122,196	9,994,947	0.76%
7,092,000	TELUS CORP 4.7% 03/06/2048	CAD	6,959,197	6,878,070	0.52%
7,203,000	TERRAFORM POWER OPERATING LLC 6.625% 06/15/2025	USD	9,964,708	10,004,568	0.76%
1,843,000	TRANSCANADA PIPELINES 4.25% 05/15/2028	USD	2,435,506	2,497,768	0.19%
3,500,000	TRANSCANADA PIPELINES 3.39% 03/15/2028	CAD	3,357,753	3,400,408	0.26%
14,887,000	TRANSCANADA TRUST 4.65% 05/18/2077	CAD	13,977,969	13,331,904	1.01%
6,554,000	UBS GROUP FUNDING SWITZERLAND AG 7.125% 12/31/2049	USD	8,807,127	9,003,471	0.68%
11,777,000	WARNER MEDIA LLC 3.8% 02/15/2027	USD	14,706,774	15,134,032	1.15%
31,757,000	WARNER MEDIA LLC 3.6% 07/15/2025	USD	39,671,933	41,215,545	3.12%
3,328,000	WYNDHAM DESTINATIONS INC 5.625% 03/01/2021	USD	4,470,759	4,542,152	0.34%
			1,115,503,257	1,124,840,304	85.11%
Short-term Debt Securities					
17,650,000	BANK OF MONTREAL BA 01/09/2019	CAD	17,629,134	17,640,610	1.33%
37,700,000	BANK OF NOVA SCOTIA BA 01/17/2019	CAD	37,632,362	37,662,141	2.85%
5,000,000	CANADIAN IMPERIAL BANK OF COMMERCE BA 01/10/2019	CAD	4,995,880	4,997,057	0.38%
30,000,000	CANADIAN IMPERIAL BANK OF COMMERCE BA 01/16/2019	CAD	29,950,143	29,971,510	2.27%
13,400,000	HSBC BANK BA 01/02/2019	CAD	13,398,641	13,398,641	1.01%
35,000,000	HSBC BANK BA 01/16/2019	CAD	34,941,568	34,966,610	2.65%
25,800,000	NATIONAL BANK OF CANADA BA 01/07/2019	CAD	25,774,190	25,789,372	1.95%
1,620,000	ONTARIO T-BILL 4.875% 01/23/2019	CAD	1,617,858	1,618,226	0.12%
8,537,000	ROYAL BANK OF CANADA BA 01/02/2019	CAD	8,536,121	8,536,121	0.65%
15,975,000	ROYAL BANK OF CANADA BA 01/04/2019	CAD	15,967,476	15,971,238	1.21%
16,500,000	ROYAL BANK OF CANADA BA 01/09/2019	CAD	16,481,439	16,491,223	1.25%
1,400,000	TORONTO-DOMINION BANK BA 01/02/2019	CAD	1,399,858	1,399,858	0.11%
22,900,000	TORONTO-DOMINION BANK BA 01/15/2019	CAD	22,860,949	22,879,801	1.73%
5,780,000	TORONTO-DOMINION BANK BA 01/30/2019	CAD	5,769,425	5,769,425	0.44%
			236,955,044	237,091,833	17.95%
Total long investments as at December 31, 2018			1,352,458,301	1,361,932,137	103.06%
Debt Securities					
(1,119,000)	US TREASURY N/B 2.875% 11/30/2023	USD	(1,502,310)	(1,554,276)	-0.12%
(7,808,000)	US TREASURY N/B 3% 08/15/2048	USD	(10,575,989)	(10,619,120)	-0.80%
(13,326,000)	US TREASURY N/B 3.125% 11/15/2028	USD	(18,820,028)	(18,881,295)	-1.43%
			(30,898,327)	(31,054,691)	-2.35%
Total investments sold short as at December 31, 2018			(30,898,327)	(31,054,691)	-2.35%
Total investments at December 31, 2018				1,330,877,446	100.71%
Cash				43,963,043	3.33%
Unrealized gains (losses) on forward exchange contracts				(2,732,810)	-0.21%
Unrealized gains (losses) on futures contracts				(4,777,729)	-0.36%
Credit default swap contracts				(3,296,710)	-0.25%
Other assets less liabilities				(42,573,869)	-3.22%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				1,321,459,371	100.00%

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Foreign Currency Forward Contracts Schedule

Counterparty	Credit Rating*	Settlement Date	Par Value	BUY	SELL	Par Value	Contract Rate	Market Rate	Unrealized Gains (Losses) (\$)
BANK OF MONTREAL	A+	01/03/2019	CAD 468,495	BUY	SELL	EUR 300,000	0.640	0.639	708
THE BANK OF NOVA SCOTIA	A+	01/16/2019	CAD 437,429	BUY	SELL	EUR 280,000	0.640	0.639	922
NATIONAL BANK OF CANADA	A	01/14/2019	CAD 53,603,453	BUY	SELL	USD 39,565,000	1.355	1.365	(389,713)
NATIONAL BANK OF CANADA	A	01/22/2019	CAD 36,461,205	BUY	SELL	USD 27,000,000	1.350	1.364	(376,963)
NATIONAL BANK OF CANADA	A	01/24/2019	CAD 135,242,600	BUY	SELL	USD 100,000,000	1.352	1.364	(1,187,727)
NATIONAL BANK OF CANADA	A	01/28/2019	CAD 149,883,800	BUY	SELL	USD 110,000,000	1.363	1.364	(173,429)
THE TORONTO-DOMINION BANK	AA-	01/31/2019	CAD 136,068,600	BUY	SELL	USD 100,000,000	1.361	1.364	(336,066)
NATIONAL BANK OF CANADA	A	02/04/2019	CAD 123,593,675	BUY	SELL	USD 90,815,000	1.361	1.364	(270,542)
									(2,732,810)

Futures Contracts Schedule

Description	Maturity Date	Number of Contracts	Notional Cost (\$)	Carrying Value (\$)	Unrealized Gains (Losses) (\$)
US 10YR ULTRA FUT MAR19	Mar-19	(534)	(93,405,356)	(94,882,654)	(1,477,298)
US 5YR NOTE (CBT) MAR19	Mar-19	(1,244)	(191,698,192)	(194,714,672)	(3,016,480)
US ULTRA BOND CBT MAR19	Mar-19	(64)	(13,793,476)	(14,077,427)	(283,951)
					(4,777,729)

Credit Default Swaps Agreements

Counterparty	Reference Obligation	Buy/Sell Protection	Quarterly Rate Received (Paid) by the Fund (%)	Termination Date	Local Currency	Notional Amount	Unrealized Gains (Losses) (\$)	Upfront Payment Made (Received) (\$)	Fair Value (\$)
GOLDMAN SACHS INTERNATIONAL	MARKIT CDX.NA.IG.31 12/23	SELL	0.25	12/20/2023	USD	(68,257,500)	138,274	228,561	366,835
GOLDMAN SACHS INTERNATIONAL	DEUTSCHE BANK AG	SELL	0.25	12/20/2023	EUR	(10,949,323)	31,714	(1,487,927)	(1,456,213)
GOLDMAN SACHS INTERNATIONAL	LLOYDS BANKING GROUP PLC	SELL	0.25	12/20/2023	EUR	(15,641,890)	(61,855)	(1,230,338)	(1,292,192)
GOLDMAN SACHS INTERNATIONAL	RBS GROUP PLC	SELL	0.25	12/20/2023	EUR	(10,323,647)	(344,503)	(570,637)	(915,140)
							(236,370)	(3,060,341)	(3,296,710)

* As rated by Standard & Poor's.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

1 General information

RP Strategic Income Plus Fund (the “Fund”) is an open-ended mutual fund trust governed under the laws of Ontario. The Fund was formed on February 26, 2016. The address of the Fund’s registered office is 39 Hazelton Avenue, Toronto, Ontario.

The primary objective of the Fund is to produce stable risk-adjusted absolute returns. The Fund intends to achieve its investment objective by investing predominantly in investment-grade corporate debt and debt-like securities. This can include government securities and agency debt, and high quality asset backed securities, with a focus on capital preservation.

The Fund’s investment activities are managed by RP Investment Advisors LP (the “Investment Manager”), which is located at 39 Hazelton Avenue, Toronto, Ontario, with the administration delegated to Apex Fund Services Ltd. (the “Administrator”). The Investment Manager will earn management fees from the Fund.

These financial statements were authorized for issue by the Trustee on March 07, 2019.

2 Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

Basis of presentation

The financial statements have been prepared under the historical cost basis, except for the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss (“FVTPL”). Units issued by the Fund are classified as financial liabilities in accordance with IAS 32, as they do not meet the definition of puttable instruments to be classified as equity in accordance with IAS 32 for financial reporting purposes.

A reconciliation between the opening and closing balances of the Units of the Fund is presented in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Units for the year ended December 31, 2018, including changes from cash flows and non-cash changes.

The principal accounting policies applied in the preparation of these financial statements are set out below.

a) Foreign currency

Functional and presentation currency

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the “functional currency”). The financial statements of the Fund are presented in Canadian dollars, which is the Fund’s functional and presentation currency.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of such transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

Foreign currency exchange gains and losses arising from translation are included in the Statement of Comprehensive Income. Foreign exchange gains (losses) on financial assets and financial liabilities at fair value through profit or loss are included in net realized and net change in unrealized gains (losses) on investments, derivatives, and cash in the Statement of Comprehensive Income. Foreign exchange gains (losses) on financial assets and liabilities other than those classified as fair value through profit or loss are included in the Statement of Comprehensive Income.

b) Financial assets and financial liabilities

Classification

The Fund classifies its investments in debt and equity securities and open-ended investment funds based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. The Fund has not taken the option to irrevocably designate any of its equity securities at fair value through other comprehensive income ("FVOCI"). Consequently, these financial assets are mandatorily measured at FVTPL.

The Fund makes short sales in which a borrowed security is sold in anticipation of a future decline in its market value, or used as hedging strategy.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives and short positions are included in this category and mandatorily measured at FVTPL.

Recognition, derecognition and measurement

Regular purchase and sale of investments are recognized on the trade date, the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities are initially recognized at fair value.

All financial assets and liabilities are recognized in the Statement of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the investment has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

The cost of investments is based on the weighted average cost of investments. Realized gains and losses on disposition, including foreign exchange gains and losses on such investments, are determined based on the average cost of investments.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value are presented in the Statement of Comprehensive Income in the period in which they arise.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on last available quoted market prices at 4:00 pm (Eastern Time) on the reporting date and the mid of the bid-ask for fixed income securities. In circumstances where the 4:00 pm price is not within the bid-ask spread, the administrator in consultation with Investment Manager will determine the point within the bid-ask spread that is most representative of fair value based on standard industry practice.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants, making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

c) Credit default swaps contracts

Credit default swaps ("CDS") contracts are agreements to mitigate or augment credit risk exposure to certain issuing entities (the "Referenced Entity") held by the Fund or to increase credit risk exposure to the Referenced Entity by creating a notional investment position for the Fund. Where a notional investment position is created, the credit risk exposure of the Fund is comparable to the exposure that would have resulted if the Fund invested directly in the Referenced Entity. Under a credit default swap contract, the protection buyer, whose intention is to reduce its credit risk exposure to the Referenced Entity, pays a premium to the protection seller, who assumes the credit risk of a default of the bond of a Referenced Entity. This premium is paid at regular intervals over the term of the swap contract. In return for the premium paid, the protection buyer is entitled to receive from the protection seller full payment for a loss arising from a credit default event of the Referenced Entity. A credit default event may be triggered by bankruptcy, failure to pay or restructuring of the Referenced Entity. If a credit default event occurs, the swap may be settled by either the physical delivery of the bond for proceeds equal to par value, or a cash payment equal to the loss amount. Credit default swaps contracts are valued based on independent third party valuations.

Changes in the value of swap contracts are recorded as unrealized gains (losses) on investments. Premiums paid or received from swap contracts are included in derivative income (expenses). When swap contracts

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

expire or are closed out, gains (losses) are included in net realized gains (losses) on investments in Statement of Comprehensive Income.

d) Foreign currency forward contracts

Foreign currency forward contracts entered into by the Fund are financial agreements to buy or sell a specific amount of an underlying currency for an agreed price at a future date. The fair value of these contracts is the gains (losses) that would be recognized if the position was closed out or expired on the valuation date and is recorded as unrealized gains (losses). When the contracts are closed out or expired, the gains (losses) are realized and are reported as net realized gains (losses) in the Statement of Comprehensive Income.

e) Futures Contracts

Futures contracts entered into by the Fund are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. Futures contracts are valued at the gains (losses) that would arise as a result of closing the position on the valuation date. Any gains (losses) at the close of business of each valuation date are recorded in the Statement of Comprehensive Income.

f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

g) Cash

Cash is comprised of deposits with financial institutions.

h) Investment transactions and income

The Fund's investment holdings include trades executed through 1:00 pm of the business day in the period. Purchases and sales of investments are recorded on a trade-date basis. Interest income (interest expense for investments sold short) is recorded on the accrual basis. Realized gains and losses are recorded on the average cost basis. Dividend income is recognized on the ex-dividend date in gross amount.

Interest receivable is shown separately in the Statement of Financial Position based on the debt instruments' stated rate of interest. The cost of investments is determined using the average cost method.

Investment income and net realized and unrealized gains (losses) and dividend income are allocated on a pro-rata basis to each class of units based on the relative net assets of each class to the total net assets of the Fund.

i) Other financial assets and liabilities

Other financial assets, including receivable for investments sold, interest receivable, subscription receivable, and operating fees rebate receivable are measured at cost or amortized cost. Amortized cost approximates fair value for these assets due to their short-term nature.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

At each reporting date, the Fund measures the loss allowance on these financial assets at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material.

Similarly, other financial liabilities, including payable for investment purchased, interest payable, redemption payable, management fees payable and operating fees payable are measured at cost or amortized cost. Amortized cost approximates fair value for these liabilities due to their short-term nature.

j) Cost of investments, investments sold short and loan fees

The cost of financial assets or financial liabilities at fair value represents the amount paid (or proceeds received) for each security and is determined on an average cost basis excluding commissions and other portfolio transaction costs.

k) Redeemable units

The Fund issues redeemable units, which are redeemable at the holder's option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Fund at any time for cash equal to the proportional unit of the Fund's net assets attributable to the unit class.

The redeemable units are carried at the redemption amount that is payable at the Statement of Financial Position date if the holder exercises the right to put the unit back to the Fund. Redeemable units are issued and redeemed at the holder's option at prices based on the Fund's net assets per unit at the trade date. The Fund's net assets per unit is calculated by dividing the net assets attributable to the holders of each class of redeemable units with the total number of outstanding redeemable units for each respective class.

l) Net assets attributable to holders of redeemable units per unit

Net assets attributable to holders of redeemable units per unit is calculated at the close of business on every valuation date as the net assets attributable to each class of units divided by its outstanding units. A valuation date is every day the Toronto Stock Exchange is open.

3 Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements requires Investment Manager to use judgment in applying its accounting policies and to make estimates and assumptions about the future.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

The following discusses the most significant judgments and estimates that the Fund has made in preparing the financial statements.

Fair value measurement of derivatives and securities not quoted in an active market

When the Fund holds financial instruments that are not quoted in active markets, including derivatives, Investment Manager uses its judgment in selecting an appropriate valuation technique. Fair values of such instruments are determined using a variety of methods and the Investment Manager makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include using reputable independent pricing sources, broker quotes, counterparty valuations, comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants, making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Presentation of redeemable units

IAS 32 requires that puttable instruments to be presented as a liability rather than the equity on the Fund's Statement of Financial Position, unless certain conditions are met. IAS 32 defines a puttable instrument as a financial instrument that gives the holder the right to put the instrument back to the issuer for cash or another financial asset. The Fund distributes any net income and capital gain in cash (at the request of the unitholder). In addition, each class of redeemable units do not have identical features and are not equally subordinate to each other. Therefore, the Fund's redeemable units do not meet the criteria for classification as equity and have been classified as financial liabilities on the Statement of Financial Position.

4 Financial risks

The nature of the Fund's activities exposes it to a variety of financial risks: market risk (including interest rate risk, and currency risk), credit risk, and liquidity risk.

The Fund is also exposed to operational risks, such as custody risk. Custody risk is the risk of loss of investments held in custody occasioned by the insolvency or negligence of the prime broker or custodian. Although an appropriate legal framework is in place that mitigates the risk of loss of value of the investments held by the counterparty or custodian, in the event of its failure, the ability of the Fund to transfer the investments might be impaired.

All security investments present a risk of loss of capital. The maximum loss of capital on debt securities is limited to the fair value of those positions. On debt securities sold short, the maximum loss of capital is limited to the price of a zero yield bond of equivalent duration, except for rare circumstances where certain bonds may trade at negative yields in exceptional market conditions.

The Investment Manager's overall risk management program aims to maximize the returns derived for the level of risk to which the Fund is exposed to and aims to minimize potential adverse effects of these risks on the Fund's performance by employing experienced market professionals, developing a formal risk management policy with guidelines and limits over the Fund's risk exposures, continuously monitoring the Fund's positions and market events, and diversifying the investment portfolio within the constraints of the investment objective.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Market risk

Market risk represents the potential loss that can be caused by a change in the fair value of the financial instrument. The Risk Committee maintains a risk management practice to monitor the market risk continuously, such as using various measures of portfolio volatility, stress testing for profit and loss and shocking interest rates and credit curves for the return.

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair values of financial assets, financial liabilities and future cash flows. The Fund holds fixed interest investments that expose the Fund to fair value interest rate risk. The Fund also holds cash and short-term investments that expose the Fund to cash flow interest rate risk. The following tables represent the Fund's exposure based on maturity and its sensitivity assuming a 1 basis point movement in interest rates.

Maturity	December 31, 2018		December 31, 2017	
	Fair Value	Sensitivity	Fair Value	Sensitivity
	\$	\$	\$	\$
Financial assets				
Less than 2 years	310,256,830	7,333	125,299,441	12,133
2 to 5 years	461,530,605	159,324	187,864,731	56,210
5 to 10 years	410,693,438	283,263	502,500,223	314,397
10 to 30 years	179,818,099	305,502	89,770,650	133,232
Greater than 30 years	-	-	6,403,066	10,391
	<u>1,362,298,972</u>	<u>755,422</u>	<u>911,838,111</u>	<u>526,363</u>
Financial liabilities				
2 to 5 years	(8,234,301)	(79,121)	-	(49,577)
5 to 10 years	(20,358,593)	(95,558)	(24,880,762)	(201,693)
10 to 30 years	(10,903,071)	(45,657)	(52,705)	(22,427)
Greater than 30 years	-	-	(8,066,271)	(17,027)
	<u>(39,495,965)</u>	<u>(220,336)</u>	<u>(32,999,738)</u>	<u>(290,904)</u>
Net	<u>1,322,803,007</u>	<u>535,086</u>	<u>878,838,373</u>	<u>235,459</u>

In accordance with the Fund's policy, the Investment Manager monitors the Fund's overall interest rate sensitivity continuously and the risk committee monitors it regularly.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign currency exchange rates. The Fund invests in financial assets and liabilities (including cash and investments) denominated in currencies other than the Canadian dollar, and gains and losses in investment transactions may be in currencies other than the Canadian dollar. The Funds may enter into foreign currency forward contracts for hedging purposes to reduce foreign currency exposure. The Investment Manager reviews the Fund's currency positions as part of the investment management process.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Net foreign currency exposure as at December 31, 2018 and 2017 in Canadian dollar equivalents as follows:

	December 31, 2018	
	USD	EUR
Monetary assets		
Cash	33,102,232	3,764
Investments at fair value	704,612,988	2,836,598
Receivable for investments sold	10,534,996	-
Derivative assets	389,587	907,554
Total monetary assets	748,639,803	3,747,916
Monetary liabilities		
Investments sold short at fair value	(31,208,738)	-
Payable for investments purchased	(60,648,445)	-
Derivative liabilities	(642,365,502)	(3,651,240)
USD class exposure	(16,329,879)	-
Total monetary liabilities	(750,552,564)	(3,651,240)
Net exposure	(1,912,761)	96,676
10% impact on net assets	(191,276)	9,668
	December 31, 2017	
	USD	EUR
Monetary assets		
Cash	2,384,395	427
Investments at fair value	587,519,410	-
Receivable for investments sold	15,253,640	-
Derivative assets	796,103	-
Total monetary assets	605,953,548	427
Monetary liabilities		
Investments sold short at fair value	(2,102,484)	-
Payable for investments purchased	(14,060,395)	-
Derivative liabilities	(588,080,188)	-
Total monetary liabilities	(604,243,067)	-
Net exposure	1,710,481	427
10% impact on net assets	171,048	43

If foreign exchange rates had increased or decreased by 10% for each of USD and EUR compared to CAD, with all other variables held constant, net assets would have increased or decreased by \$181,608 (2017 - \$171,091). This represents Investment Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to volatilities of those rates.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligations on time or at a reasonable price. The majority of the Fund's assets are investments traded in an active market and can be easily disposed of

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

at market prices. There is no assurance that an adequate market for investments owned by the Fund will continue to exist due to fluctuations in trading volumes and market prices.

The Fund is exposed to liquidity risk due to potential daily cash redemptions of redeemable units. In accordance with the Fund's policy, the Investment Manager monitors liquidity continuously. The Fund invests in financial instruments which are not publicly traded but traded over-the-counter. The Investment Manager only purchase over-the-counter securities with a reasonable number of market participants to facilitate disposal on a timely basis. The Fund also has the ability to borrow up to 5% of its net assets attributable to holders of redeemable units for the purposes of funding redemptions. Due to the continuous review and borrowing ability, the Investment Manager believes there is minimal liquidity risk.

Credit risk

Credit risk is the risk that a debtor will fail to discharge its obligations, causing a financial loss to bondholders or counterparties. The Fund's main credit risk concentration is in debt securities whose fair value includes consideration of the creditworthiness of the debt issuer. The Fund is also exposed to counterparty credit risk on cash and short-term investments, amounts due from brokers for investments. The Investment Manager actively manages credit risk. The Fund invested in debt securities with the following credit ratings:

Debt Securities by Rating Category

December 31, 2018					
Debt rating	Fair Value (Long)	Fair Value (Short)	Futures Notional	Impact of CDS Notional	Net Exposure
	\$	\$	\$	\$	\$
AAA	279,503,289	(35,832,420)	(298,897,024)	-	(55,226,155)
AA	209,684,235	-	-	-	209,684,235
A	75,357,028	-	-	-	75,357,028
BBB	690,110,200	(3,663,545)	-	105,172,360	791,619,015
BB	82,439,104	-	-	-	82,439,104
B	25,205,116	-	-	-	25,205,116
	1,362,298,972	(39,495,965)	(298,897,024)	105,172,360	1,129,078,343

December 31, 2017					
Debt rating	Fair Value (Long)	Fair Value (Short)	Futures Notional	Impact of CDS Notional	Net Exposure
	\$	\$	\$	\$	\$
AAA	28,195,551	(32,999,738)	(361,644,774)	-	(366,448,961)
A	70,492,577	-	-	-	70,492,577
BBB	684,137,254	-	-	-	684,137,254
BB	129,012,729	-	-	-	129,012,729
	911,838,111	(32,999,738)	(361,644,774)	-	517,193,599

All transactions are made through registered members of a recognized regulatory body and are settled on delivery using the Fund's broker Scotia Capital Inc., or its custodian, the Bank of Nova Scotia Toronto, Ontario. The risk of default is considered minimal, as delivery of securities sold is only made when the prime broker or the custody has received payment. The Fund is also exposed to credit risk from counterparties to foreign currency forward

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

contracts, commodity futures, cash and short-term investments. The maximum exposure to credit risk as at December 31, 2018 and 2017 are the carrying amount of financial assets as set out below:

Credit risk	December 31, 2018	December 31, 2017
	\$	\$
Investments at fair value	1,361,932,137	911,027,908
Cash	43,963,043	174,549,752
Receivable for investments sold	14,553,639	31,326,778
Interest receivable	10,080,473	7,545,341
Subscriptions receivable	486,657	364,763
Derivative assets	368,465	3,245,721
Operating fees rebate receivable	342,522	282,722
	1,431,726,936	1,128,342,985

Offsetting and amounts subject to master netting agreements

The following table presents the Fund's financial assets and liabilities subject to offsetting, enforceable master netting agreements and similar agreements. The table is presented by type of financial instruments. The "Net" column shows what the impact on the Fund's Statement of Financial Position would be if all set-off rights were exercised.

	Amounts offset			Amounts not offset		
	Gross assets/ liabilities	Gross assets/ liabilities offset	Net amounts presented	Financial instruments	Cash collateral	Net
	\$	\$	\$	\$	\$	\$
December 31, 2018						
Derivative assets	368,465	-	368,465	-	-	368,465
Derivative liabilities	(11,175,714)	-	(11,175,714)	-	-	(11,175,714)
December 31, 2017						
Derivative assets	3,245,721	-	3,245,721	-	-	3,245,721
Derivative liabilities	(129,169)	-	(129,169)	-	-	(129,169)

Capital management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The fund generally has no restrictions or specific capital requirements on the subscriptions and redemptions of units other than minimum subscription requirements; although, on rare occasions, redemption rights of unitholders may be temporarily suspended. In accordance with the objectives and the risk management policies outlined of the Fund, the Fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Such liquidity is managed by investing the majority of assets in investments that can be readily disposed and via the Fund's ability to borrow up to 5% of its net assets.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

5 Fair value measurement

Financial instruments are classified within a hierarchy that prioritizes the inputs to fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices and the lowest priority to unobservable inputs. If different levels of inputs are used to measure a financial instrument's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels of the fair value hierarchy are:

Level 1 - unadjusted quoted prices in active markets for financial assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the financial asset or liability either directly or indirectly; and

Level 3 - inputs for the financial asset or liability that are not based on observable market data.

The following table analyzes within the fair value hierarchy, the Fund's financial assets and financial liabilities.

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Bonds	-	1,361,932,137	-	1,361,932,137
Forward contracts	-	1,630	-	1,630
Derivative assets	-	366,835	-	366,835
Total	-	1,362,300,602	-	1,362,300,602
Financial liabilities				
Bonds	-	(31,054,691)	-	(31,054,691)
Futures contracts	(4,777,729)	-	-	(4,777,729)
Forward contracts	-	(2,734,440)	-	(2,734,440)
Derivative liabilities	-	(3,663,545)	-	(3,663,545)
Total	(4,777,729)	(37,452,676)	-	(42,230,405)
	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Bonds	-	911,027,908	-	911,027,908
Futures contracts	810,203	-	-	810,203
Forward contracts	-	2,435,518	-	2,435,518
Total	810,203	913,463,426	-	914,273,629
Financial liabilities				
Bonds	-	(32,947,033)	-	(32,947,033)
Futures contracts	(52,705)	-	-	(52,705)
Forward contracts	-	(76,464)	-	(76,464)
Total	(52,705)	(33,023,497)	-	(33,076,202)

Investments, whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include active listed equities, exchange traded derivatives, Futures contracts and certain non-US sovereign obligations. The Fund does not adjust the quoted price for these financial instruments.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and certain non-US sovereign obligations, and over-the-counter derivatives. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions that are attached to the instruments, valuations may be adjusted to reflect non-transferability, which are generally based on available market information.

Bonds include primarily government and corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2. There were no items classified as level 3 throughout the year nor were there transfers between level 3 and levels 1 and 2 during the year ended December 31, 2018 and 2017. The following tables present the carrying amounts of the Fund's financial instruments by category as at:

	December 31, 2018		
	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at amortized cost	Total
	\$	\$	\$
Assets as per statement of financial position			
Investments at fair value	1,361,932,137	-	1,361,932,137
Cash	-	43,963,043	43,963,043
Receivable for investments sold	-	14,553,639	14,553,639
Interest receivable	-	10,080,473	10,080,473
Subscriptions receivable	-	486,657	486,657
Derivative assets	368,465	-	368,465
Operating fees rebate receivable	-	342,522	342,522
Total	1,362,300,602	69,426,334	1,431,726,936
Liabilities as per statement of financial position			
Payable for investments purchased	-	65,595,371	65,595,371
Investments sold short at fair value	31,054,691	-	31,054,691
Derivative liabilities	11,175,714	-	11,175,714
Redemptions payable	-	1,520,041	1,520,041
Other liabilities	-	773,139	773,139
Interest payable	-	148,609	148,609
Net assets attributable to holders of redeemable units		1,321,459,371	1,321,459,371
Total	42,230,405	1,389,496,531	1,431,726,936

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

	December 31, 2017		
	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at amortized cost	Total
	\$	\$	\$
Assets as per statement of financial position			
Investments at fair value	911,027,908	-	911,027,908
Cash	-	174,549,752	174,549,752
Receivable for investments sold	-	31,326,778	31,326,778
Interest receivable	-	7,545,341	7,545,341
Subscriptions receivable	-	364,763	364,763
Derivative assets	3,245,721	-	3,245,721
Operating fees rebate receivable	-	282,722	282,722
Total	914,273,629	214,069,356	1,128,342,985
Liabilities as per statement of financial position			
Investments sold short at fair value	32,947,033	-	32,947,033
Payable for investments purchased	-	47,789,667	47,789,667
Interest payable	-	415,583	415,583
Redemptions payable	-	153,272	153,272
Derivative liabilities	129,169	-	129,169
Other liabilities	-	696,942	696,942
Net assets attributable to holders of redeemable units	-	1,046,211,319	1,046,211,319
Total	33,076,202	1,095,266,783	1,128,342,985

6 Income taxes and distributions

The Fund qualifies as a mutual fund trust under the provision of the Income Tax Act (Canada) and is not subject to taxes on net income, including net realized taxable capital gain for the taxation year, which is paid or payable to unitholders at the end of the taxation year. However, such part of the Fund's taxable income and net realized capital gain that is not paid or payable will be taxable to the Fund. Income taxes on the Fund's taxable income and net realized capital gain not paid or payable will generally be recovered by virtue of refunding provision contained in the Income Tax Act (Canada) and provincial income tax legislation, as redemptions occur. It is the intention of the Fund to distribute all net income and sufficient net realized capital gain so that the Fund will not generally be liable for income taxes thereon. The distributions paid or payables in excess of the net income for tax purposes of the Fund represent a return of capital to unit holders. Distributions are automatically reinvested in additional Fund units unless unitholders have elected to receive distributions in cash. Those dividends or distributions are reinvested at the net assets per unit of the applicable class on the dividend or distribution date.

During the year ended December 31, 2018, the Fund made distributions in the amount of \$43,433,546 (2017 - \$51,915,524) and rebated operating fees of \$666,137 (2017 - \$282,722). The Fund paid \$4,235,959 (2017 - \$10,177,493) in cash distributions and \$39,863,724 (2017 - \$42,020,753) was reinvested.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

7 Units issued and outstanding

Issued and changes in units held

The Fund is permitted to issue an unlimited number of classes and may issue an unlimited number of units of each class. Units of the Fund are offered in seven different classes.

Class A units are offered to all investors.

Class F units are offered to investors who are enrolled in a dealer sponsored fee for service or wrap program and who are subject to an annual asset based fee rather than commissions on each transaction or, at the discretion of the Investment Manager, any other investor for whom the Investment Manager does not incur distribution costs.

The minimal initial investment in Class A and Class F units of the Fund is \$5,000 with minimum subsequent investments of \$500.

Class M units are offered only to associates and affiliates of the Investment Manager and its directors, officers and employees, and to manage account clients who pay fees directly to the Investment Manager. Class M units are not subject to management fees, but do bear their proportionate unit of common expenses of the Fund.

Class O units are offered to institutional investors or to other investors on a case-by-case basis that have been approved by the Investment Manager, in its discretion, and have entered into an agreement with the Investment Manager setting out the terms of the investment in Class O units. No management fees are charged to the Fund with respect to the Class O units, but investors will be charged a negotiated management fees.

Class A-USD units, Class F-USD units and Class M-USD units are also available and are offered in the same manner and are identical in all other respects to Class A units, Class F units and Class M units, respectively, except that they are issued to investors investing in U.S. dollars, pay distributions in U.S. dollars and are redeemable in U.S. dollars.

	Number of units					December 31, 2018
	Beginning of year	Issued	Reinvested	Redeemed	Switch in (out)	End of year
Class A	6,415,373	2,719,671	124,297	(2,291,693)	(378,905)	6,588,743
Class F	42,712,702	24,571,414	916,433	(23,427,926)	263,576	45,036,199
Class M	-	-	1,887	(93,938)	118,656	26,605
Class O	52,405,198	26,389,946	2,929,611	(124,086)	-	81,600,669
Class A-USD	-	149,541	239	(43,537)	(3,076)	103,167
Class F-USD	-	1,322,826	21,742	(202,328)	3,073	1,145,313
Total	101,533,273	55,153,398	3,994,209	(26,183,508)	3,324	134,500,696

	Number of units					December 31, 2017
	Beginning of year	Issued	Reinvested	Redeemed	Switch in (out)	End of year
Class A	1,554,157	5,935,848	211,401	(890,877)	(395,156)	6,415,373
Class F	10,661,085	33,991,225	1,200,158	(3,573,705)	433,939	42,712,702
Class O	53,750,376	7,717,272	2,655,514	(11,677,276)	(40,688)	52,405,198
Total	65,965,618	47,644,345	4,067,073	(16,141,858)	(1,905)	101,533,273

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

Subscriptions

Subscriptions will be processed on each day that the Toronto Stock Exchange is open for business (each a “Trade Date”). If the purchase order is received before 4:00 p.m. (Eastern Time) on a valuation day, it will be processed at the unit price calculated later that day. Otherwise, it will be processed at the unit price calculated on the next valuation day. The order may be processed at an earlier time on a particular day that banks are not open for business in the City of Toronto or any other day which is a legal holiday in such city. Orders received after that earlier closing time would be processed on the next valuation day. At the Investment Manager’s sole discretion, the Fund may suspend new subscriptions for the Fund’s units.

Redemptions

If redemption order is received before 4:00 p.m. (Eastern Time) on any valuation day, it will be processed at the unit price calculated later that day. Otherwise, it will be processed at the unit price calculated on the next valuation day. Orders may be processed at an earlier time on a particular day that banks are not open for business in the City of Toronto or any other day which is a legal holiday in such city. Orders received after that earlier closing time would be processed on the next valuation day. Redemptions may be suspended in certain circumstances.

8 Related party transactions

Management fees

The Investment Manager receives management fees by the Fund for providing its services to the Fund. The management fees varies for each class of units. The management fees is calculated and accrued daily based on a percentage of the net assets of the class of units of the Fund, plus applicable taxes, and is payable on the last day in each month.

The annual management fees rate for each class is as follows:

- Class A and Class A-USD – 1.15% per annum
- Class F and Class F-USD – 0.9% per annum
- Class M and Class M-USD – no fee
- Class O – Negotiated by the investor and paid directly to the Investment Manager. The management fees rate would not exceed the management fees rate of Class A units of the Fund.

Total management fees for the year ended December 31, 2018 amounted to \$6,323,403 (2017 - \$3,464,925) with \$477,256 in outstanding accrued fees due to the Investment Manager at December 31, 2018 (2017 - \$447,613).

Fixed operating fees

The Investment Manager will be responsible for all operating expenses of the Fund, other than certain fund costs described in the Prospectus in exchange for the payment by the Fund of a fixed rate administration fee of 0.25% per annum. The administration fee paid to the Investment Manager by the Fund may, in any particular period, be less than or exceed the operating expenses that the Investment Manager incurs in respect of the Fund. The operating expenses include, but are not limited to, accounting, audit and legal fees, registrar and transfer agency fees and expenses, safekeeping and custodian fees, all costs and expenses associated with the sale of units, administrative, operating and systems costs, costs of printing and disseminating prospectuses, annual information

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at December 31, 2018

(expressed in Canadian dollars, unless indicated otherwise)

forms, fund facts and continuous disclosure materials, investor servicing and communication costs and regulatory filing fees and costs.

The Investment Manager may rebate a certain percentage of operating fee received for a period of time back to the fund at its discretion and the fund will in turn rebate the expense to investors through additional units. Total operating fees for the year ended December 31, 2018 amounted to \$3,112,148 (2017 - \$2,252,942) with \$295,883 in outstanding accrued fees due to the Investment Manager at December 31, 2018 (2017 - \$249,329). Total operating fee rebated to investors, which were subsequently invested into the fund, amounted to \$666,137 (2017 - \$282,722).

Fund expenses

The fund expenses which are payable directly by the Fund are expenses associated with the operation of the independent review committee (“IRC”) (including the total compensation paid to the IRC, costs of holding meetings, and expenses of any advisers engaged by the IRC) or other advisory committee, compliance with any governmental and regulatory requirements. The IRC fees are paid in advance. Operating expenses and other costs of the Fund are subject to applicable taxes including HST.

Total fund expenses for the year ended December 31, 2018 amounted to \$91,196 (2017 - \$174,557).