



RP Strategic Income Plus Fund

Financial Statements
June 30, 2019 (unaudited)

RP Strategic Income Plus Fund

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RP Strategic Income Plus Fund

Statement of Financial Position

As at June 30, 2019 and December 31, 2018

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

	2019	2018
	\$	\$
Assets		
Current assets		
Investments at fair value	1,195,044,827	1,361,932,137
Receivable for investments sold	59,807,225	14,553,639
Cash	40,138,110	43,963,043
Interest receivable	10,455,065	10,080,473
Derivative assets	3,519,603	368,465
Subscriptions receivable	737,031	486,657
Operating fees rebate receivable (Note 8)	374,275	342,522
Total assets	1,310,076,136	1,431,726,936
Liabilities		
Current liabilities		
Payable for investments purchased	97,474,484	65,595,371
Investments sold short at fair value	11,412,491	31,054,691
Derivative liabilities	8,340,758	11,175,714
Redemptions payable	2,334,013	1,520,041
Operating fees payable (Note 8)	236,688	295,883
Management fees payable (Note 8)	417,165	477,256
Interest payable	137,592	148,609
Total liabilities	120,353,191	110,267,565
Net assets attributable to holders of redeemable units	1,189,722,945	1,321,459,371
Net assets attributable to holders of redeemable units per class		
Class A	68,740,208	65,270,729
Class F	494,740,799	446,576,925
Class M	5,290,347	252,092
Class O	597,255,532	793,029,746
Class A-USD	2,532,151	1,352,435
Class F-USD	21,163,908	14,977,444
	1,189,722,945	1,321,459,371
Net assets attributable to holders of redeemable units per unit		
Class A	10.38	9.91
Class F	10.38	9.92
Class M	9.90	9.48
Class O	10.16	9.72
Class A-USD	USD 10.04	USD 9.60
Class F-USD	USD 10.03	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 period ended June 30

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

	2019	2018
	\$	\$
Income		
Interest income for distribution purposes	32,699,137	33,022,193
Derivative income	1,030,453	-
Dividend income	24,084	-
Changes in fair value of investments, derivatives and cash		
Net realized gains (losses)	54,442,580	(44,994,414)
Net change in unrealized gains (losses)	6,640,250	14,899,442
Total income	94,836,504	2,927,221
Expenses		
Interest on securities sold short and loan fees	7,451,708	9,284,651
Management fees (Note 8)	2,832,517	3,106,956
Operating fees (Note 8)	2,219,513	1,611,011
Derivative expenses	1,322,433	-
Fund expenses (Note 8)	48,921	51,258
Total expenses	13,875,092	14,053,876
Operating fees rebate (Note 8)	(374,275)	(323,615)
Net expenses	13,500,817	13,730,261
Increase (decrease) in net assets attributable to holders of redeemable units	81,335,687	(10,803,040)
Increase (decrease) in net assets attributable to holders of redeemable units per class		
Class A	3,873,928	(972,299)
Class F	28,025,349	(6,325,420)
Class M	246,371	(7,253)
Class O	48,745,001	(3,725,567)
Class A-USD	43,741	30,048
Class F-USD	401,297	197,451
	81,335,687	(10,803,040)
Increase (decrease) in net assets attributable to holders of redeemable units per unit		
Class A	0.59	(0.13)
Class F	0.60	(0.13)
Class M	0.63	(0.10)
Class O	0.64	(0.06)
Class A-USD	USD 0.57	USD 0.42
Class F-USD	USD 0.58	USD 0.26

RP Strategic Income Plus Fund

Statement of Cash Flows

For the period ended June 30

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

	2019	2018
	\$	\$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	81,335,687	(10,803,040)
Adjustment for:		
Net realized (gains) losses on investments	(54,704,260)	9,176,960
Net change in unrealized (gains) losses on investments	(3,440,750)	(11,401,679)
Purchases of investments	(18,626,883,795)	(9,764,381,605)
Purchases to cover short positions	(1,685,760,093)	(1,753,371,150)
Proceeds from sale of investments	18,848,043,505	9,477,003,213
Proceeds from investments sold short	1,669,990,501	1,739,296,511
(Increase) decrease in operating fees rebate receivable	(31,753)	(40,893)
(Increase) decrease in derivative assets	(3,151,138)	(4,340,521)
(Increase) decrease in interest receivable	(374,592)	(3,899,878)
(Increase) decrease in receivable for investments sold	(45,253,586)	(35,769,621)
Increase (decrease) in payable for investments purchased	31,879,113	58,468,534
Increase (decrease) in interest payable	(11,017)	518,103
Increase (decrease) in derivative liabilities	(2,834,956)	3,606,455
Increase (decrease) in other liabilities	(119,286)	96,082
Net cash provided by (used in) operating activities	208,683,580	(295,842,529)
Cash flows used in financing activities		
Proceeds from redeemable units issued	139,969,366	250,813,345
Amounts paid on redemption of redeemable units	(350,032,230)	(78,240,682)
Distribution paid to holders of redeemable units, net of reinvested distributions	(2,445,649)	(2,552,914)
Net cash provided by (used in) financing activities	(212,508,513)	170,019,749
Increase (decrease) in cash during the period	(3,824,933)	(125,822,780)
Cash - Beginning of period	43,963,043	174,549,752
Cash - End of period	40,138,110	48,726,972
Supplementary information		
Interest received	32,324,545	29,122,315
Interest paid	7,462,725	8,766,548
Dividend received	24,084	-

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at June 30, 2019

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

Number of Shares/par value	Security Description	Local Currency	Average Cost (Proceeds) (\$)	Fair Value (\$)	%
LONG POSITIONS					
Long-term Debt Securities					
6,000,000	AIMCO REALTY INVESTORS 2.712% 06/01/2029	CAD	6,022,780	6,059,850	0.51%
6,783,000	AIR CANADA 4.75% 10/06/2023	CAD	6,964,264	7,050,081	0.59%
10,000,000	AIRCASTLE LTD 4.25% 06/15/2026	USD	13,242,356	13,234,799	1.11%
6,300,000	ALTAGAS CANADA INC 4.26% 12/05/2028	CAD	6,750,306	6,949,310	0.58%
16,445,000	ALTAGAS CANADA INC 3.15% 04/06/2026	CAD	16,566,148	16,822,084	1.41%
7,800,000	ALTAGAS LTD 4.5% 08/15/2044	CAD	7,369,774	7,922,421	0.67%
6,649,000	ALTAGAS LTD 3.84% 01/15/2025	CAD	6,822,558	6,973,737	0.59%
9,137,000	ALTAGAS LTD 3.98% 10/04/2027	CAD	9,431,162	9,610,068	0.81%
2,776,000	ALTAGAS LTD 4.99% 10/04/2047	CAD	2,881,109	3,039,720	0.26%
20,081,000	ALTRIA GROUP INC 4.8% 02/14/2029	USD	28,400,527	28,338,312	2.38%
15,733,000	ANHEUSER-BUSCH INBEV FINANCE INC 2.6% 05/15/2024	CAD	15,530,401	15,768,163	1.33%
4,750,000	AT&T INC 4.85% 05/25/2047	CAD	4,719,176	5,022,175	0.42%
1,517,000	AT&T INC 5.1% 11/25/2048	CAD	1,583,411	1,662,351	0.14%
17,232,000	ATHABASCA OIL CORP 9.875% 02/24/2022	USD	22,788,455	21,759,620	1.83%
20,000,000	BACARDI LTD 4.7% 05/15/2028	USD	27,892,199	28,007,258	2.35%
25,800,000	BANCO SANTANDER SA FLOATING 04/12/2023	USD	34,154,559	33,716,493	2.83%
13,858,000	BANK OF AMERICA CORP 5.125% 12/31/2049	USD	18,445,103	18,233,795	1.53%
7,120,000	BANK OF NOVA SCOTIA 2.836% 07/03/2029	CAD	7,129,256	7,117,508	0.60%
13,175,000	BANKUNITED INC 4.875% 11/17/2025	USD	17,856,426	18,745,612	1.58%
14,600,000	BARCLAYS PLC FLOATING 01/10/2023	USD	19,395,187	19,124,714	1.61%
10,000,000	BARCLAYS PLC FLOATING 02/15/2023	USD	13,212,571	13,048,567	1.10%
3,400,000	BAYER US FINANCE LLC 3% 10/08/2021	USD	4,550,846	4,483,601	0.38%
10,105,000	BAYER US FINANCE II LLC FLOATING 06/25/2021	USD	13,433,677	13,189,481	1.11%
7,704,000	BELL CANADA 4.45% 02/27/2047	CAD	8,020,268	8,472,474	0.71%
11,029,000	BELL CANADA 4.35% 12/18/2045	CAD	10,712,455	11,927,312	1.00%
931,000	BGC PARTNERS INC 5.125% 05/27/2021	USD	1,249,269	1,259,210	0.11%
12,922,000	BGC PARTNERS INC 5.375% 07/24/2023	USD	17,090,422	17,721,654	1.49%
7,000,000	BNP PARIBAS 4.375% 09/28/2025	USD	9,689,660	9,645,088	0.81%
5,120,000	BOARDWALK PIPELINES LP 4.8% 05/03/2029	USD	6,907,085	7,025,524	0.59%
6,586,000	BROOKFIELD INFRASTRUCTURE FINANCE ULC 3.315% 02/22/2024	CAD	6,572,872	6,730,102	0.57%
15,673,000	BROOKFIELD PROPERTY FINANCE ULC 4.3% 03/01/2024	CAD	15,978,573	16,193,187	1.36%
11,850,000	BRUCE POWER LP 3.969% 06/23/2026	CAD	12,421,097	12,677,130	1.07%
8,000,000	BRUCE POWER LP 4.01% 06/21/2029	CAD	8,530,480	8,546,600	0.72%
5,000,000	BRUIN E&P PARTNERS LLC 8.875% 08/01/2023	USD	6,450,590	5,605,793	0.47%
44,601,000	CANADIAN GOVERNMENT 8.875% 12/01/2048	CAD	54,183,185	55,598,495	4.66%
3,500,000	CANADIAN PACIFIC RAILWAY 3.15% 03/13/2029	CAD	3,601,605	3,620,313	0.30%
18,539,000	CANTOR FITZGERALD LP 4.875% 05/01/2024	USD	25,021,994	25,055,213	2.11%
5,000,000	CAPITAL ONE FINANCIAL CO 1.65% 06/12/2029	EUR	7,548,564	7,514,709	0.63%
10,000,000	CBS CORP 4.2% 06/01/2029	USD	13,846,329	13,821,326	1.16%
1,203,000	CHENIERE CORPUS CHRISTI HOLDINGS LLC 5.875% 03/31/2025	USD	1,747,686	1,753,092	0.15%
2,775,000	CHENIERE CORPUS CHRISTI HOLDINGS LLC 7% 06/30/2024	USD	4,192,110	4,175,368	0.35%
2,715,000	CHOICE PROPERTIES REIT 3.546% 01/10/2025	CAD	2,703,320	2,817,912	0.24%
1,566,000	CIT GROUP INC 4.75% 02/16/2024	USD	2,144,156	2,179,063	0.18%
3,091,000	CIT GROUP INC 5% 08/01/2023	USD	4,291,442	4,328,076	0.36%
20,000,000	CITY OF TORONTO CANADA 2.65% 11/09/2029	CAD	20,119,800	20,482,600	1.72%
25,846,000	CVS HEALTH CORP 5.05% 03/25/2048	USD	35,708,309	36,025,549	3.03%
15,698,000	CVS HEALTH CORP 5% 12/01/2024	USD	22,410,648	22,469,937	1.89%
18,584,000	DEUTSCHE BANK NY 4.875% 12/01/2032	USD	21,044,461	21,193,753	1.78%
885,000	DEUTSCHE BANK NY FLOATING 01/22/2021	USD	1,136,148	1,142,935	0.10%
4,322,000	DEUTSCHE BANK NY FLOATING 07/13/2020	USD	5,660,734	5,623,317	0.47%
1,611,000	DEUTSCHE BANK NY FLOATING 11/16/2022	USD	1,993,045	2,037,890	0.17%
2,140,000	DIAMONDBACK ENERGY INC 4.75% 11/01/2024	USD	2,960,759	2,886,170	0.24%
2,344,000	DIAMONDBACK ENERGY INC 4.75% 11/01/2024	USD	3,233,850	3,162,129	0.27%
3,120,000	DIAMONDBACK ENERGY INC 5.375% 05/31/2025	USD	4,395,940	4,303,877	0.36%
4,500,000	ENBRIDGE INC 4.24% 08/27/2042	CAD	4,459,605	4,691,610	0.39%
3,000,000	ENBRIDGE INC 6.625% 04/12/2078	CAD	3,168,018	3,213,240	0.27%
18,000,000	ENBRIDGE INC 5.375% 09/27/2077	CAD	17,452,180	17,772,120	1.49%
3,919,000	ENERGEN CORP 4.625% 09/01/2021	USD	5,145,751	5,243,355	0.44%
8,000,000	ENERGY TRANSFER OPERATING LP 6.25% 04/15/2049	USD	12,283,324	12,420,354	1.04%

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at June 30, 2019

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

Number of Shares/par value	Security Description	Local Currency	Average Cost (Proceeds) (\$)	Fair Value (\$)	%
5,569,000	ENMAX CORP 3.836% 06/05/2028	CAD	5,570,470	5,874,487	0.49%
3,585,000	FIDELITY NATIONAL INFORMATION SERVICES INC 2.95% 05/21/2039	EUR	5,530,592	5,927,508	0.50%
5,000,000	GRANITE REIT HOLDINGS LP 3.873% 11/30/2023	CAD	5,182,150	5,217,350	0.44%
10,421,000	INTER PIPELINE LTD 6.875% 03/26/2079	CAD	10,477,056	10,791,831	0.91%
13,319,000	INTER PIPELINE LTD 2.734% 04/18/2024	CAD	13,297,787	13,404,575	1.13%
2,000,000	KEYERA CORP 6.875% 06/13/2079	CAD	2,019,336	2,020,940	0.17%
5,467,000	KEYERA CORP 3.934% 06/21/2028	CAD	5,743,412	5,797,808	0.49%
10,000,000	KRAFT HEINZ FOODS CO FLOATING 08/10/2022	USD	13,134,721	13,066,247	1.10%
694,000	LAND O'LAKES INC 7% 12/31/2049	USD	901,821	862,507	0.07%
5,980,000	LIBERTY MUTUAL GROUP INC 3.625% 05/23/2059	EUR	8,926,093	9,110,972	0.77%
8,768,000	MDC HOLDINGS INC 6% 01/15/2043	USD	10,185,720	10,804,480	0.91%
11,350,000	MOLSON COORS INTL LP 2.84% 07/15/2023	CAD	11,303,603	11,432,060	0.96%
7,228,000	MOLSON COORS INTL LP 3.44% 07/15/2026	CAD	7,276,497	7,310,905	0.61%
14,000,000	NATWEST MARKETS PLC FLOATING 09/29/2022	USD	18,772,187	18,470,871	1.55%
9,249,000	NGPL PIPECO LLC 7.768% 12/15/2037	USD	14,538,839	15,432,447	1.30%
2,000,000	ONTARIO POWER GENERATION 3.315% 10/04/2027	CAD	2,089,280	2,103,740	0.18%
16,309,000	PEMBINA PIPELINE CORP 4.54% 04/03/2049	CAD	16,727,691	17,463,677	1.47%
14,192,000	PERRIGO FINANCE UNLIMITED 4.9% 12/15/2044	USD	17,237,690	16,625,393	1.40%
5,872,000	PERRIGO FINANCE UNLIMITED 3.9% 12/15/2024	USD	7,450,360	7,701,954	0.65%
10,000,000	PROVINCE OF ONTARIO 2.7% 06/02/2029	CAD	10,486,600	10,483,400	0.88%
3,329,000	QEP RESOURCES INC 6.875% 03/01/2021	USD	4,551,709	4,488,134	0.38%
9,556,000	ROGERS COMMUNICATIONS INC 3.25% 05/01/2029	CAD	9,564,051	9,805,412	0.82%
4,497,000	SABRA HEALTH CARE LP/ CAPITAL CORP 4.8% 06/01/2024	USD	6,049,103	6,050,544	0.51%
23,225,000	SANTANDER UK PLC 5% 11/07/2023	USD	31,832,456	32,193,560	2.71%
15,557,000	SENIOR HOUSING PROPERTIES TRUST 4.75% 02/15/2028	USD	19,245,310	19,791,420	1.66%
6,312,000	SENIOR HOUSING PROPERTIES TRUST 6.75% 12/15/2021	USD	8,953,491	8,839,008	0.74%
9,605,000	SILVERSEA CRUISE FINANCE 7.25% 02/01/2025	USD	13,806,451	13,531,999	1.14%
25,045,000	SUNCOR ENERGY VENTURES 4.5% 04/01/2022	USD	32,940,864	33,834,866	2.84%
14,232,000	SYNOVUS FINANCIAL CORP 5.75% 12/15/2025	USD	19,266,370	19,168,378	1.61%
6,625,000	SYNOVUS FINANCIAL CORP 5.9% 02/07/2029	USD	8,799,560	8,964,879	0.75%
12,667,000	SYSCO CANADA INC 3.65% 04/25/2025	CAD	12,668,787	13,310,484	1.12%
17,367,000	TELUS CORP 4.4% 01/29/2046	CAD	17,125,975	18,571,922	1.56%
8,629,000	TELUS CORP 3.625% 03/01/2028	CAD	8,649,714	9,096,045	0.76%
6,117,000	TELUS CORP 4.85% 04/05/2044	CAD	6,515,495	6,934,904	0.58%
5,681,000	TERRAFORM POWER OPERATING LLC 6.625% 06/15/2025	USD	7,880,065	7,840,995	0.66%
17,420,000	TORONTO-DOMINION BANK 3.06% 01/26/2032	CAD	17,493,563	17,498,826	1.47%
142,000	TORONTO-DOMINION BANK 2.496% 12/02/2024	CAD	141,866	142,983	0.01%
3,148,000	TRANSCANADA PIPELINES LTD 4.25% 05/15/2028	USD	4,405,012	4,455,198	0.37%
3,543,000	TRANSCANADA PIPELINES LTD 5.1% 03/15/2049	USD	5,169,747	5,366,334	0.45%
179,000	US TREASURY N/B 2.375% 05/15/2029	USD	241,947	242,138	0.02%
12,553,000	US TREASURY N/B 3% 02/15/2049	USD	18,003,953	18,030,096	1.52%
			1,129,590,379	1,143,277,474	96.08%
Short-term Debt Securities					
5,890,000	CANTOR FITZGERALD LP 7.875% 10/15/2019	USD	8,318,685	7,820,019	0.66%
15,000,000	ENBRIDGE INC CP 07/12/2019	CAD	14,970,716	14,985,358	1.26%
1,500,000	PROVINCE OF ALBERTA PN 07/30/2019	CAD	1,496,985	1,497,703	0.13%
3,900,000	PROVINCE OF BRITISH COLUMBIA PN 07/16/2019	CAD	3,895,130	3,896,639	0.33%
			28,681,516	28,199,719	2.38%
Preferred Stocks					
39,600	BROOKFIELD OFFICE PROP	CAD	1,007,424	1,028,412	0.09%
101,900	CANADIAN IMPERIAL BANK OF COMMERCE	CAD	2,545,666	2,516,930	0.21%
25,075	ENERGY TRANSFER OPERATING LP SERIES C	USD	830,079	778,296	0.07%
181,800	ENERGY TRANSFER OPERATING LP SERIES E	USD	6,088,682	5,929,502	0.50%
537,525	TORONTO-DOMINION BANK	CAD	13,421,947	13,314,494	1.12%
			23,893,798	23,567,634	1.99%
Total long investment as at June 30, 2019			1,182,165,693	1,195,044,827	100.45%

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at June 30, 2019

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

Number of Shares/par value	Security Description	Local Currency	Average Cost (Proceeds) (\$)	Fair Value (\$)	%
SHORT POSITIONS					
Long-term Debt Securities					
(4,520,000)	BUNDESREPUB. DEUTSCHLAND 0.25% 02/15/2029	EUR	(7,154,921)	(7,112,745)	-0.60%
(1,573,000)	BUNDESREPUB. DEUTSCHLAND 4.25% 07/04/2039	EUR	(4,169,779)	(4,299,746)	-0.36%
			<u>(11,324,700)</u>	<u>(11,412,491)</u>	<u>-0.96%</u>
Total short investment as at June 30, 2019			<u>(11,324,700)</u>	<u>(11,412,491)</u>	<u>-0.96%</u>
Total investment as at June 30, 2019				1,183,632,336	99.49%
Cash				40,138,110	3.37%
Unrealized gains (losses) on foreign currency forward contracts				2,262,251	0.19%
Unrealized gains (losses) on futures contracts				(5,941,740)	-0.50%
Credit default swap contracts				(1,141,666)	-0.10%
Other assets less liabilities				<u>(29,226,346)</u>	<u>-2.45%</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				<u>1,189,722,945</u>	<u>100.00%</u>

RP Strategic Income Plus Fund

Schedule of Investment Portfolio

As at June 30, 2019

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

Foreign Currency Forward Contracts Schedule

Counterparty	Credit Rating*	Settlement Date	Par Value	Contract Rate	Market Rate	Unrealized Gains (Losses) (\$)	
THE BANK OF NOVA SCOTIA	A+	07/02/2019	BUY CAD 109,156	SELL EUR 73,250	1.490	1.489	70
STATE STREET BANK AND TRUST CO	AA-	07/02/2019	BUY CAD 5,295,529	SELL USD 4,010,000	1.321	1.310	43,961
THE BANK OF NOVA SCOTIA	A+	07/03/2019	BUY CAD 1,932,579	SELL EUR 1,284,550	1.504	1.489	19,419
STATE STREET BANK AND TRUST CO	AA-	07/05/2019	BUY CAD 5,729,264	SELL EUR 3,820,050	1.500	1.490	38,814
STATE STREET BANK AND TRUST CO	AA-	07/08/2019	BUY USD 10,024,571	SELL EUR 8,900,000	1.126	1.138	(134,680)
THE BANK OF NOVA SCOTIA	A+	07/09/2019	BUY CAD 896,982	SELL EUR 601,000	1.492	1.490	1,470
THE BANK OF NOVA SCOTIA	A+	07/09/2019	BUY CAD 879,099	SELL EUR 590,100	1.490	1.490	(226)
THE TORONTO-DOMINION BANK	AA-	07/16/2019	BUY CAD 99,237,109	SELL USD 75,810,000	1.309	1.309	(6,440)
BANK OF MONTREAL	A+	07/22/2019	BUY CAD 56,257,952	SELL USD 42,650,000	1.319	1.309	432,644
THE BANK OF NOVA SCOTIA	A+	07/24/2019	BUY CAD 38,307,073	SELL USD 29,050,000	1.319	1.309	284,894
STATE STREET BANK AND TRUST CO	AA-	07/24/2019	BUY CAD 4,751,064	SELL USD 3,600,000	1.320	1.309	39,193
ROYAL BANK OF CANADA	AA-	07/25/2019	BUY CAD 6,793,051	SELL USD 5,150,000	1.319	1.309	52,623
ROYAL BANK OF CANADA	AA-	07/25/2019	BUY CAD 131,883,900	SELL USD 100,000,000	1.319	1.309	1,001,803
CANADIAN IMPERIAL BANK OF COMMER	A+	07/31/2019	BUY CAD 86,440,300	SELL USD 65,890,000	1.312	1.309	213,125
CANADIAN IMPERIAL BANK OF COMMER	A+	07/31/2019	BUY CAD 26,939,201	SELL USD 20,550,000	1.311	1.309	46,372
BANK OF MONTREAL	A+	08/02/2019	BUY CAD 196,146,450	SELL USD 150,000,000	1.308	1.309	(145,633)
CANADIAN IMPERIAL BANK OF COMMER	A+	08/12/2019	BUY CAD 30,075,888	SELL USD 22,700,000	1.325	1.308	374,842
							2,262,251

Futures Contracts Schedule

Description	Maturity Date	Number of Contracts	Notional Cost (\$)	Carrying Value (\$)	Unrealized Gains (Losses) (\$)
EURO-BOBL FUTURE SEP19	Sep-19	(15)	(2,992,496)	(3,003,441)	(10,945)
US 2YR NOTE (CBT) SEP19	Sep-19	(243)	(34,131,763)	(34,236,187)	(104,424)
US ULTRA BOND CBT SEP19	Sep-19	(254)	(58,125,878)	(59,045,570)	(919,692)
US 10YR NOTE (CBT) SEP19	Sep-19	(420)	(69,169,124)	(70,372,406)	(1,203,282)
US 10YR ULTRA FUT SEP19	Sep-19	(640)	(114,476,517)	(115,733,750)	(1,257,233)
US 5YR NOTE (CBT) SEP19	Sep-19	(1,219)	(186,148,522)	(188,594,686)	(2,446,164)
					(5,941,740)

Credit Default Swaps Contracts

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	AT&T INC	SELL	0.25	06/20/2024	USD	(58,934,250)	120,730	117,624	238,354
GOLDMAN SACHS INTERNATIONAL	DEUTSCHE BANK AKTIENGESELLSCHAFT	BUY	(0.25)	06/20/2024	EUR	7,445,688	(49,277)	771,600	722,332
GOLDMAN SACHS INTERNATIONAL	M.D.C. HOLDINGS INC	BUY	(0.25)	06/20/2024	USD	3,928,950	(55,311)	64,998	9,687
GOLDMAN SACHS INTERNATIONAL	MARKIT CDX.NA1G.3z 06/24	BUY	(0.25)	06/20/2024	USD	98,223,750	(372,384)	(1,739,655)	(2,112,039)
							(356,242)	(785,424)	(1,141,666)

* As rated by Standard & Poor's.

RP Strategic Income Plus Fund

Notes to the Financial Statements

As at June 30, 2019

Unaudited (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 August 29, 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 period ended June 30, 2019, 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

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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 financial 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 financial 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

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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 financial 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 June 30, 2019

Unaudited (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 financial 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 financial 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 June 30, 2019

Unaudited (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 June 30, 2019

Unaudited (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 June 30, 2019

Unaudited (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	June 30, 2019		December 31, 2018	
	Fair Value	Sensitivity	Fair Value	Sensitivity
	\$	\$	\$	\$
Financial assets				
Less than 2 years	120,060,213	10,043	310,256,830	7,333
2 to 5 years	376,482,381	99,764	461,530,605	159,324
5 to 10 years	417,050,784	275,998	410,693,438	283,263
10 to 30 years	282,421,822	458,349	179,818,099	305,502
	<u>1,196,015,200</u>	<u>844,154</u>	<u>1,362,298,972</u>	<u>755,422</u>
Financial liabilities				
Less than 2 years	(104,424)	(12,066)	-	-
2 to 5 years	(4,569,148)	(80,494)	(8,234,301)	(79,121)
5 to 10 years	(9,573,260)	(151,145)	(20,358,593)	(95,558)
10 to 30 years	(5,219,438)	(104,848)	(10,903,071)	(45,657)
	<u>(19,466,270)</u>	<u>(348,553)</u>	<u>(39,495,965)</u>	<u>(220,336)</u>
Net	<u>1,176,548,930</u>	<u>495,601</u>	<u>1,322,803,007</u>	<u>535,086</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 financial 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

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Unaudited (expressed in Canadian dollars, unless indicated otherwise)

Net foreign currency exposure as at June 30, 2019 and December 31, 2018 in Canadian dollar equivalents as follows:

	June 30, 2019	
	USD	EUR
Monetary assets		
Cash	-	11,241,461
Investments at fair value	708,423,210	22,608,310
Receivable for investments sold	41,545,646	-
Derivative assets	13,378,910	720,470
Total monetary assets	763,347,776	34,570,241
Monetary liabilities		
Cash	(2,522,090)	-
Investments sold short at fair value	-	(11,518,471)
Payable for investments purchased	(47,404,634)	-
Derivative liabilities	(687,848,817)	(22,758,980)
USD class exposure	(23,696,060)	-
Total monetary liabilities	(761,471,601)	(34,277,451)
Net exposure	1,876,165	292,790
10% impact on net assets	187,617	29,279
	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

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 \$216,896 (2018 - \$181,608). This represents Investment Manager's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to volatilities of those rates.

RP Strategic Income Plus Fund

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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 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

	June 30, 2019				
Debt rating	Fair Value (Long)	Fair Value (Short)	Futures Notional	Impact of CDS Notional	Net Exposure
	\$	\$	\$	\$	\$
AAA	77,767,368	(17,354,231)	(465,044,300)	-	(404,631,163)
AA	38,666,536	-	-	-	38,666,536
A	69,686,190	-	-	-	69,686,190
BBB	922,219,526	(2,112,039)	-	(50,664,138)	869,443,349
BB	60,310,167	-	-	-	60,310,167
B	27,365,413	-	-	-	27,365,413
	1,196,015,200	(19,466,270)	(465,044,300)	(50,664,138)	660,840,492

	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

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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 contracts, commodity futures, cash and short-term investments. The maximum exposure to credit risk as at June 30, 2019 and December 31, 2018 are the carrying amount of financial assets as set out below:

Credit risk	June 30, 2019	December 31, 2018
	\$	\$
Investments at fair value	1,195,044,827	1,361,932,137
Receivable for investments sold	59,807,225	14,553,639
Cash	40,138,110	43,963,043
Interest receivable	10,455,065	10,080,473
Derivative assets	3,519,603	368,465
Subscriptions receivable	737,031	486,657
Operating fees rebate receivable	374,275	342,522
	<u>1,310,076,136</u>	<u>1,431,726,936</u>

Offsetting and amounts subject to master netting agreements

The following table presents the Fund's financial assets and financial 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
	\$	\$	\$	\$	\$	\$
June 30, 2019						
Derivative assets	3,519,603	970,147	2,549,456	970,147	-	3,519,603
Derivative liabilities	(8,340,758)	(970,147)	(7,370,611)	(970,147)	-	(8,340,758)
December 31, 2018						
Derivative assets	368,465	-	368,465	-	-	368,465
Derivative liabilities	(11,175,714)	-	(11,175,714)	-	-	(11,175,714)

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 enough liquidity to meet redemptions. Such liquidity is managed by investing most assets in investments that can be readily disposed and via the Fund's ability to borrow up to 5% of its net assets.

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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 tables analyze within the fair value hierarchy, the Fund's financial assets and financial liabilities.

	June 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets	\$	\$	\$	\$
Bonds	-	1,195,044,827	-	1,195,044,827
Forward contracts	-	2,549,230	-	2,549,230
Derivative assets	-	970,373	-	970,373
Total	-	1,198,564,430	-	1,198,564,430
Financial liabilities				
Bonds	-	(11,412,491)	-	(11,412,491)
Futures contracts	(5,941,740)	-	-	(5,941,740)
Forward contracts	-	(286,979)	-	(286,979)
Derivative liabilities	-	(2,112,039)	-	(2,112,039)
Total	(5,941,740)	(13,811,509)	-	(19,753,249)
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)

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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.

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 period nor were there transfers between level 3 and levels 1 and 2 during the period ended June 30, 2019 and the year ended December 31, 2018. The following tables present the carrying amounts of the Fund's financial instruments by category as at:

	June 30, 2019		
	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	1,195,044,827	-	1,195,044,827
Receivable for investments sold	-	59,807,225	59,807,225
Cash	-	40,138,110	40,138,110
Interest receivable	-	10,455,065	10,455,065
Derivative assets	3,519,603	-	3,519,603
Subscriptions receivable	-	737,031	737,031
Operating fees rebate receivable	-	374,275	374,275
Total	1,198,564,430	111,511,706	1,310,076,136
Liabilities as per statement of financial position			
Payable for investments purchased	-	97,474,484	97,474,484
Investments sold short at fair value	11,412,491	-	11,412,491
Derivative liabilities	8,340,758	-	8,340,758
Redemptions payable	-	2,334,013	2,334,013
Other liabilities	-	653,853	653,853
Interest payable	-	137,592	137,592
Net assets attributable to holders of redeemable units	-	1,189,722,945	1,189,722,945
Total	19,753,249	1,290,322,887	1,310,076,136

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	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

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 period ended June 30, 2019, the Fund made distributions in the amount of \$21,667,905 (June 30, 2018 - \$20,153,449) and rebated operating fees of \$374,275 (June 30, 2018 - \$323,615). The Fund paid \$2,445,649 (June 30, 2018 - \$2,552,914) in cash distributions and \$ 19,222,256 (June 30, 2018 - \$17,600,535) was reinvested.

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Notes to the Financial Statements

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Unaudited (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 fee.

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					June 30, 2019
	Beginning of period	Issued	Reinvested	Redeemed	Switch in (out)	End of period
Class A	6,588,743	759,123	60,275	(694,398)	(92,972)	6,620,771
Class F	45,036,199	9,534,234	429,362	(7,444,841)	92,848	47,647,802
Class M	26,605	517,593	5,415	(15,209)	-	534,404
Class O	81,600,669	2,104,702	1,375,834	(26,292,654)	-	58,788,551
Class A-USD	103,167	97,273	538	(7,835)	(652)	192,491
Class F-USD	1,145,313	596,219	17,916	(148,311)	654	1,611,791
Total	134,500,696	13,609,144	1,889,340	(34,603,248)	(122)	115,395,810

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As at June 30, 2019

Unaudited (expressed in Canadian dollars, unless indicated otherwise)

	Number of units					December 31, 2018	
	Beginning of period	Issued	Reinvested	Redeemed	Switch in (out)	End of period	
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	

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 vary for each class of units. The management fees are 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 – 0.95% per annum
- Class F and Class F-USD – 0.7% 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.

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Total management fees for the period ended June 30, 2019 amounted to \$2,832,517 (June 30, 2018 - \$3,106,956) with \$417,165 in outstanding accrued fees due to the Investment Manager at June 30, 2019 (December 31, 2018 - \$477,256).

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 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 period ended June 30, 2019 amounted to \$2,219,513 (June 30, 2018 - \$1,611,011) with \$610,963 in outstanding accrued fees due to the Investment Manager at June 30, 2019 (December 31, 2018 - \$295,883). Total operating fee rebated to investors, which were subsequently invested into the fund, amounted to \$374,275 (December 31, 2018 - \$666,137).

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 period ended June 30, 2019 amounted to \$48,921 (June 30, 2018 - \$51,258).