Financial Statements of

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

June 30, 2019

(Unaudited)

CALDWELL U.S. DIVIDEND ADVANTAGE FUND
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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited interim financial statements have been prepared by **Caldwell Investment Management Ltd.** in its capacity as the Trustee of the Trust. The Trust's Trustee is responsible for the information and representations contained in these unaudited interim financial statements.

The Trustee maintains appropriate processes to ensure that relevant and reliable financial information is produced. The unaudited interim financial statements have been prepared in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments made by the Trustee. The significant accounting policies which the Trustee believes are appropriate for the Trust are described in Note 3 to the unaudited interim financial statements.

On behalf of the Trustee

Date: August 21, 2019

NOTICE TO UNITHOLDERS

The auditors of the Trusts have not reviewed these financial statements.

Caldwell Investment Management Ltd., the Manager of the Trust, appoints an independent auditor to audit the Trust's annual financial statements.

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Financial Position
As at June 30, 2019 and December 31, 2018 (Unaudited)

	June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash	$ 23,933	$ 255,449
Foreign currencies	3,257,711	5,792,986
Financial assets at fair value through profit or loss (Note 6)	20,034,983	24,157,701
Dividends receivable	14,718	18,585
HST receivable	44,523	131,212
Prepaid expense	18,410	6,345
Due from Manager	18,344	24,493
Subscription receivable	325,785	357,043
	23,738,407	30,743,814
LIABILITIES		
Current liabilities		
Financial liabilities at fair value through profit or loss (Note 6)	–	3,455
Management fees payable (Note 7)	35,130	47,728
Accrued liabilities	61,269	83,806
Distributions payable	15,089	94
Redemption payable	72,742	98,812
	184,230	233,895
Net Assets Attributable to Holders of Redeemable Units	$ 23,554,177	$ 30,509,919
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,111,410	476,787
Series F	22,442,767	30,033,132
	$ 23,554,177	$ 30,509,919
Number of Redeemable Units Outstanding (Note 9)		
Series A	106,309	50,183
Series F	2,088,298	3,084,761
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	10.45	9.50
Series F	10.75	9.74
Series A (USD)	7.98	6.96
Series F (USD)	8.21	7.14

Approved ~~on behalf~~ of Caldwell Investment Management Ltd., Manager of the Fund

Brendan T.N. Caldwell, President

See Accompanying Notes

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Comprehensive Income
For the six-months ended June 30, 2019 and 2018 (Unaudited)

	2019	2018*
Income		
Dividends	$ 208,744	$ 1,276,367
Exchange loss on foreign currencies and other net assets	(244,265)	(480,499)
Change in unrealized appreciation on investments and foreign currency	2,610,130	1,377,686
Realized gain (loss) on sale of investments and forward contracts	957,526	(894,160)
Other income	11,451	–
	3,543,586	1,279,394
Expenses		
Management fees (Note 7)	248,785	506,263
Administrative fees	54,608	64,037
Withholding taxes	31,458	98,471
Audit fees	22,787	14,124
Securityholder reporting costs	19,323	14,293
Legal fees	13,490	3,855
Transaction costs	11,542	62,077
Custodial fee	10,654	16,576
Filing fee	9,345	13,586
Independent review committee fees	2,500	3,655
Bank charges	1,097	163,319
	425,589	960,256
Deduct: Expense absorbed by Manager (Note 7)	42,927	–
Net expenses	382,662	960,256
Increase in Net Assets Attributable to Holders of Redeemable Units/Equity	$ 3,160,924	$ 319,138
Increase in Net Assets Attributable to Holders of Redeemable Units/Equity per Series		
Series A	110,313	–
Series F	3,050,611	319,138
	$ 3,160,924	$ 319,138
Weighted Average of Redeemable Units Outstanding During the Period		
Series A	95,302	–
Series F	2,423,691	5,162,209
Increase in Net Assets Attributable to Holders of Redeemable Units/Equity per Unit (Note 12)		
Series A	1.16	–
Series F	1.26	0.06

*Units are treated as equity.

See Accompanying Notes

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Changes in Net Assets Attributable to Holders of Redeemable Units/Equity
For the six-months ended June 30, 2019 and 2018 (Unaudited)

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	Increase in net assets attributable to holders of redeemable units	Distribution to unitholders	Reinvestments of distributions	Net assets attributable to holders of redeemable units, end of period
June 30, 2019							
Series A	$ 476,787	$ 595,357	$ (61,571)	$ 110,313	$ (19,955)	$ 10,479	$ 1,111,410
Series F	30,033,132	234,601	(10,797,890)	3,050,611	(465,748)	388,061	22,442,767
	$ 30,509,919	$ 829,958	$ (10,859,461)	$ 3,160,924	$ (485,703)	$ 398,540	$ 23,554,177

	Net assets attributable to holders of redeemable equity units, beginning of period	Proceeds from redeemable equity units issued	Redemption of redeemable equity units	Increase in net assets attributable to holders of redeemable equity units	Distributions to unitholders	Reinvestments of distributions to holders of redeemable equity units	Net assets attributable to holders of redeemable equity units, end of period
June 30, 2018*							
Series F	$ 55,735,054	$ –	$ –	$ 319,138	$ (1,548,673)	$ 7,875	$ 54,513,394

*Units are treated as equity.

See Accompanying Notes

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Cash Flows
For the six-months ended June 30, 2019 and 2018 (Unaudited)

		2019		2018
Cash provided by (used in):				
Operating Activities				
Increase in Net Assets Attributable to Holders of Redeemable Units/Equity	$	3,160,924	$	319,138
Adjustments for non-cash items				
Transaction costs		11,542		62,077
Exchange loss on foreign currencies and other net assets		244,265		480,499
Change in unrealized appreciation on investments and foreign currency		(2,610,130)		(1,377,686)
Realized (gain) loss on sale of investments and forward contracts		(957,526)		894,160
Change in non-cash balances				
Decrease in dividends receivable		3,867		23,414
Decrease (increase) in HST receivable		86,689		(26,800)
Increase in prepaid expense		(12,065)		(25,166)
Decrease in due from Manager		6,149		–
Decrease in receivable for investments sold		31,258		–
Decrease (increase) in management fee payable		(12,598)		36,919
Decrease in accrued liabilities		(22,537)		(3,734)
Increase in distribution payable		14,995		38
Decrease in redemption payable		(26,070)		–
Proceeds from sale of investments		12,777,354		7,190,138
Purchase of investments		(5,101,977)		(5,770,801)
Cash provided by operating activities		7,594,140		1,802,196
Financing Activities				
Proceeds from issuances of redeemable units/equity		608,683		–
Amounts paid on redemption of redeemable units/equity		(10,638,186)		–
Distribution paid		(87,163)		(1,540,798)
Cash used in financing activities		(10,116,666)		(1,540,798)
(Decrease) increase in cash during the period		(2,522,526)		261,398
Foreign exchange loss on cash		(244,265)		(480,499)
Cash, beginning of period		6,048,435		(9,515,823)
Cash (including foreign currencies), end of period	$	3,281,644	$	(9,734,924)
Supplemental information*				
Interest paid	$	183	$	156,377
Dividends received, net of withholding taxes		181,152		1,229,480

*Included as a part of cash flows from operating activities

See Accompanying Notes

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Schedule of Investment Portfolio
As at June 30, 2019 (Unaudited)

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	U.S. equities			
1,900	Air Products & Chemicals Inc.	$ 349,045	$ 563,004	2.39
3,700	AO Smith Corp.	230,645	228,410	0.97
3,000	Apple Inc.	478,590	777,232	3.30
1,700	Automatic Data Processing Inc.	224,052	367,909	1.56
300	Booking Holdings Inc.	764,669	736,199	3.13
1,300	Broadcom Inc.	406,320	489,851	2.08
6,500	Cisco Systems Inc.	260,568	465,670	1.98
1,100	Costco Wholesale Corp.	315,385	380,508	1.62
6,500	CVS Health Corp.	566,947	463,628	1.97
2,500	Huntington Ingalls Industries Inc.	753,198	735,462	3.12
3,800	International Business Machines Corp.	755,307	685,942	2.91
900	IPG Photonics Corp.	171,974	181,722	0.77
4,700	JPMorgan Chase & Co.	458,616	687,827	2.92
3,000	Marsh & McLennan Cos Inc.	363,376	391,718	1.66
1,400	MasterCard Inc.	376,171	484,778	2.06
4,400	McDonald's Corp.	1,066,716	1,196,039	5.08
4,400	Medtronic PLC	541,736	560,927	2.38
200	Mettler-Toledo International Inc.	154,745	219,912	0.93
4,400	Microsoft Corp.	350,131	771,556	3.28
3,800	Motorola Solutions Inc.	670,563	829,348	3.52
11,700	Oracle Corp.	766,920	872,513	3.70
1,000	Pool Corp.	199,143	250,019	1.06
6,200	Quest Diagnostics Inc.	773,178	826,270	3.51
3,400	S&P Global Inc.	820,270	1,013,802	4.30
500	The Boeing Co.	253,460	238,245	1.01
2,500	The Cooper Cos Inc.	867,987	1,102,473	4.68
3,500	The Procter & Gamble Co.	356,642	502,361	2.13
6,600	The TJX Cos Inc.	424,431	456,851	1.94
17,500	Tyson Foods Inc.	1,408,794	1,849,552	7.85
800	UnitedHealth Group Inc.	251,387	255,527	1.08
11,000	US Bancorp/MN	785,839	754,508	3.20
2,000	Visa Inc.	362,630	454,354	1.93
2,200	Xylem Inc/NY	238,630	240,866	1.02
		16,768,065	20,034,983	85.04
	Total investments owned	16,768,065	20,034,983	85.04
	Commissions and other portfolio transaction costs	(20,385)	–	–
	Net investments owned	**$ 16,747,680**	20,034,983	85.04
	Other assets, net		3,519,194	14.96
	Net Assets Attributable to Holders of Redeemable Units		**$ 23,554,177**	**100.00**

See Accompanying Notes

1. ORGANIZATION AND INVESTMENT OBJECTIVE

Caldwell U.S. Dividend Advantage Fund ("the Fund") was first offered to the public as a closed-end investment fund established as a trust under the laws of the Province of Ontario pursuant to a declaration of trust ("the Declaration of Trust") dated May 28, 2015. On September 28, 2018, the unitholders of the Fund approved the conversion of the Fund into an open-ended mutual fund (the "Conversion") to be offered to the public pursuant to the Simplified Prospectus. The Declaration of Trust was amended on November 15, 2018 to effect the change.

The address of the Fund's registered office is: 150 King Street West, Suite 1702, P.O. Box 47, Toronto, ON M5H 1J9.

Caldwell Investment Management Ltd., ("Caldwell") is the manager ("Manager") and trustee ("Trustee") of the Fund. Caldwell is wholly-owned by Caldwell Financial Ltd, ("CFL") a corporation incorporated under the laws of Ontario.

These financial statements reflect only the assets, liabilities, revenues and expenses of the Fund and do not include any assets, liabilities, revenues or expenses of the Manager.

The investment objective of the Fund is to provide the holders of the units with (i) monthly cash distributions; and (ii) the potential for capital appreciation and enhanced long-term risk adjusted returns.

2. BASIS OF PRESENTATION

These interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") applicable to the preparation of financial statements, and International Accounting Standard 34, Interim Financial Reporting.

These interim financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities classified as fair value through profit or loss which are presented at fair value. The accounting policies applied in these interim financial statements are based on IFRS issued as of June 30, 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Standards, Amendments and Interpretations Issued ("IFRS 9")

IFRS 9 Financial Instruments ("IFRS 9")
IFRS 9 issued in July 2014, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. It is effective for annual periods beginning on or after January 1, 2018 and has been applied by the Fund retrospectively to January 1, 2017. The application of IFRS 9 has not resulted in any restatement of comparative figures.

Classification and measurement of financial assets and financial liabilities
Under IFRS 9, classification and measurement of financial assets are driven by the Fund's business model for managing them and their contractual cash flows. Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

IFRS 9 largely retains the existing requirements for classification and measurement of financial liabilities. However, unlike IAS 39 where all fair value changes of liabilities designated at fair value through profit or loss are recognized in profit or loss, under IFRS 9, fair value changes related to changes in the issuer's own credit risk are presented in other comprehensive income. (see Note 4)

The adoption of IFRS 9 did not have a material impact on classification and measurement of financial instruments, since the Fund makes decisions based on the assets' fair values and manages the assets to realize those fair values. As such the majority of the Fund's financial assets continue to be measured at FVTPL. In addition, derivatives continue to be measured at FVTPL.

Impairment of financial assets
IFRS 9 also introduces the expected credit loss ("ECL") model for impairment of financial assets measured at amortized cost and debt instruments measured at FVOCI. The ECL impairment model does not have a material impact to the Fund's financial assets given that the majority of the Fund's financial assets continue to be measured at FVTPL.

Hedge accounting
The Fund does not apply hedge accounting, therefore, IFRS 9 hedge accounting related changes do not have an impact on the Fund's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Assets and Financial Liabilities at Fair Value Through Profit and Loss

Classification

From January 1, 2018, the Fund classifies its investments in debt, equity securities and derivatives as financial assets and financial liabilities at FVTPL.

The Fund classifies its investments at FVTPL based on the Fund's business model for managing those financial assets in accordance with the Fund's documented investment strategy. The portfolio of investments is managed and performance is evaluated on a fair value basis and the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular purchases and sales of financial assets are recognized at their trade date. The Fund's investments have been classified as fair value through profit or loss. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and financial liabilities are classified as subsequently measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. A financial asset is classified as subsequently measured at amortized cost only if both of the following criteria are met:

i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and

ii) the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Fund's accounting policies for measuring its net asset value ("NAV") for transactions with unitholders is the same as the accounting policies used to measure the fair value of its investments and derivatives.

The Fund has applied IFRS 9 retrospectively but the application of IFRS 9 has not resulted in a restatement of comparative information. Refer to Note 4 for changes in accounting policies including classification and measurement policies of financial assets and financial liabilities as a result of the application of IFRS 9.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's Declaration of Trust, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions. For financial reporting purposes, the Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstance where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or ask price to the net open position, as appropriate.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in private companies and other assets for which no published market exists are initially valued at cost and adjusted each reporting period, when appropriate, to reflect the most recent value at which such securities have been exchanged in an arm's-length transaction which approximates a trade effected in a published market, unless a different fair market value is otherwise determined to be appropriate by the Manager.

Investments in warrants that are liquid and traded on an active stock market have been measured at fair value. Warrants not on an active exchange are valued using a variety of methods using assumptions based on market conditions existing at each statement of financial position date.

Recognition/derecognition

The Fund recognizes financial assets and financial liabilities at fair value through profit and loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date – the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statements of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other assets and liabilities

Dividends receivable, HST receivable, prepaid expense, due from Manager and subscription receivable are classified as subsequently measured at amortized cost. Accrued liabilities, distributions payable, management fees payable and redemption payable are classified as other liabilities and are initially recorded at fair value, and subsequently measured at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature, and their carrying amounts approximate fair value.

Investment transactions and income recognition

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

The interest on debt securities at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Transaction Costs

Transaction costs are expenses and are included in "transaction costs" in the Statements of Comprehensive Loss. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers; levies by regulatory agencies and securities exchanges; and transfer taxes and duties. The cost of investments for each security is determined on an average cost basis.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statements 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. In the normal course of business, the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Cash

Cash is comprised of cash on deposit and option margins in a collateral account as a requirement for writing or selling options.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Redeemable units

The Fund is authorized to issue units which are redeemable at the holder's option, referred to as redeemable units ("Units"). Prior to November 9, 2018, the Fund had only one series with a set of features and fee structures and met the IAS 32 criteria for classification as equity. After November 9, 2018, the Fund offered a new Series A which provides unitholders the opportunities to subscribe for unit series other than Series F and offering different features and fee structures. As a result, the Fund's units do not meet the criteria for classification as equity and therefore, have been classified as financial liabilities as at December 31, 2018 (see Note 9).

Valuation of fund units

The net asset value of the Fund is calculated after the close of business on each valuation date, which is every day on which the Toronto Stock Exchange is open for business. The net asset value per unit is calculated on the valuation date by dividing the net asset value of the Fund by the total number of units outstanding.

Increase in Net Assets attributable to holders of redeemable units/equity per unit

Increase in Net Assets attributable to holders of redeemable units/equity per unit is based on the increase in Net Assets attributable to holders of redeemable units/equity attributed to each series of units, divided by the weighted average number units outstanding of that series during the period. Refer to Note 12 for the calculation.

Foreign exchange

The functional and presentation currency of the Fund is the Canadian dollar. The fair value of foreign investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the exchange rates prevailing at 12:00 p.m. Eastern Time (the "noon rate") on each reporting date. Purchases and sales of foreign securities denominated in foreign currencies and the related income are translated into Canadian dollars at rates of exchange prevailing on the respective dates of such transactions.

Income taxes

The Fund is taxable under the Income Tax Act (Canada) (the "Act") on all of its taxable income for the year (including net taxable capital gains), and is permitted a deduction in computing its income tax under the Act for all amounts which are paid or payable in the year to unitholders. As all such amounts are always payable to the unitholders, no tax will be payable on such amounts for the year.

Withholding taxes on foreign dividend income are deducted at the source.

4. CHANGES IN ACCOUNTING POLICIES

The Fund has applied IFRS 9 retrospectively from January 1, 2017, which has resulted in changes in accounting policies. The following accounting policies relating to classification of financial assets and financial liabilities have been changed to comply with IFRS 9 which replaces the provisions of IAS 39.

Reclassifications of financial instruments on application of IFRS 9

On the date of initial application of IFRS 9, January 1, 2018, the financial instruments of the Fund were as follows, with any reclassifications from December 31, 2017 noted:

Financial Instruments	*Classification Category*		*Measurement Category*		*Carrying amount at Jan 1, 2018*		
	Original (IAS 39)	*New (IFRS9)*	*Original (IAS 39)*	*New (IFRS9)*	*Original (IAS 39) $*	*New (IFRS 9) $*	*Difference $*
Assets							
Cash	Amortized cost	Amortized cost	Amortized cost	Amortized cost	656,623	656,623	-
Foreign currencies	Amortized cost	Amortized cost	Amortized cost	Amortized cost	1,412,956	1,412,956	-
Financial assets at fair value through profit or loss	FVTPL - Designated at inception	FVTPL	FVTPL	FVTPL	65,983,404	65,983,404	-
Dividends receivable	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	245,077	245,077	-
Prepaid expenses	Loans and receivables	Amortized cost	Amortized cost	Amortized cost	83,648	83,648	-
Liabilities							
Forward contracts	FVTPL - Held for trading	FVTPL	FVTPL	FVTPL	663,756	663,756	-
Due to broker	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	11,585,402	11,585,402	-
Management fees payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	83,020	83,020	-
Accrued liabilities	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	56,402	56,402	-
Distributions payable	Financial liabilities	Financial liabilities	Amortized cost	Amortized cost	258,074	258,074	-

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates and assumptions about the future. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management uses its judgment in determining the fair value of its investments for those investments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. Actual results could differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

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

The Fund holds financial instruments, including derivatives that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them.

The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to Note 6 for further information about the fair value measurement of the Fund's financial instruments.

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to manage its portfolio of investments and evaluate performance on a fair value basis and that the portfolio of investments is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The most significant judgments made include assessing and determining the appropriate business model that enables the decision that the Fund's investments are classified as FVTPL.

Functional and presentation currency

The Fund considers its functional and presentation currency to be the Canadian dollar, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in Canadian dollars.

6. FAIR VALUE DISCLOSURE

Fair value measurement of investments is based on a three-level fair value hierarchy that reflects the significance of the inputs used in making the measurement. The three levels of fair value hierarchy are as follows:

Level 1: Level 1 financial instruments are valued using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Level 2 financial instruments are valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices), including inputs in markets that are not considered to be active. Pricing of currency forward contracts is derived from foreign exchange rates obtained from Bloomberg at noon.

Level 3: Level 3 financial instruments are valued using inputs that are not based on observable market data (unobservable inputs).

The Fund's total investment holdings as at June 30, 2019 and December 31, 2018 are classified into a three-level fair value hierarchy as follows:

June 30, 2019

	Level 1	Level 2	Level 3	Total
Assets				
Equities	$ 20,034,983	$ –	$ –	$ 20,034,983
	$ 20,034,983	$ –	$ –	$ 20,034,983

December 31, 2018

	Level 1	Level 2	Level 3	Total
Assets				
Equities	$ 24,157,701	$ –	$ –	$ 24,157,701
	$ 24,157,701	$ –	$ –	$ 24,157,701

	Level 1	Level 2	Level 3	Total
Liabilities				
Option	$ –	$ 3,455	$ –	$ 3,455
	$ –	$ 3,455	$ –	$ 3,455

There were no transfers between levels during the periods ended June 30, 2019 and December 31, 2018.

7. MANAGEMENT FEES AND OPERATING EXPENSES

Under the terms of the Offering Memorandum, the Manager is entitled to an annual management fee of 2.75% of the Series A's net asset value and 1.75% of the Series F's net asset value. The management fee for the period ended June 30, 2019 was $248,785 (June 30, 2018 - $506,263).

The management fee payable at June 30, 2019 was $35,130 (December 31, 2018 - $47,728).

The Fund is responsible for the payment of all expenses relating to the operation and the carrying on of its business including but not limited to legal, audit, trustee, custodial and safekeeping fees, taxes, brokerage commissions, regulatory filing fees, operating and administrative costs and investor servicing costs of financial and other reports.

The Manager at its discretion may waive and absorb a portion of the management fees and operating expenses otherwise payable by Fund. For the period ended June 30, 2019, $42,927 (June 30, 2018: $nil) of the Fund's expenses were reimbursed by the Manager. The waiver of the management fees and operating expenses may be terminated at any time by the Manager and at its discretion, may be continued indefinitely.

8. COMMISSIONS AND RELATED PARTY TRANSACTIONS

The Manager and Caldwell Securities Ltd. ("CSL"), a broker, are related parties as they are both wholly-owned subsidiaries of CFL. CSL has earned $20 as of June 30, 2019 (June 30, 2018 - $52,924) in brokerage commissions, which is recorded in transaction costs.

Commissions and other portfolio transactions are costs incurred to acquire, issue or dispose of financial assets or liabilities. Commissions may be paid to brokerage firms which provide (or pay for) certain services, other than order execution, which may include investment research, analysis and reports, and databases or software in support of these services. Where applicable and ascertainable, the value of third-party services that were paid for by brokers for the period ended June 30, 2019 was $2,788 (June 30, 2018: $nil. The value of certain proprietary services provided by brokers cannot be reasonably estimated.

The Manager has earned management fees during the period as disclosed in Note 7.

9. UNITS OF THE FUND

The following is a summary of the changes in the Fund's outstanding units during the periods.

	Units, beginning of period	Units issued	Units redeemed	Reinvestments of units	Units, end of period
June 30, 2019					
Series A	50,183	61,059	(5,964)	1,031	106,309
Series F	3,084,761	22,362	(1,056,275)	37,450	2,088,298
June 30, 2018*					
Series F	5,161,479	–	–	764	5,162,243

*Units are treated as equity.

9. UNITS OF THE FUND (CONTINUED)

Distributions

The Fund does not have a fixed distribution but in accordance with the Fund's investment objectives intends to pay monthly cash distributions based on, among other things, the actual and expected returns of the Portfolio. The Manager will at least annually determine an indicative distribution amount for the period based upon the prevailing market conditions and an estimate of distributable cash flow from the Portfolio for such period. The Fund intends to make monthly distributions to unitholders of record on the last business day of each month (each, a "Distribution Record Date"). Distributions will be paid on a business day designated by the Manager that will be on or about the 15th day of the month following the Distribution Record Date.

Redemptions of units

Commencing in 2018, units may be surrendered annually for redemption during the year from October 1 until 5:00 p.m. (Toronto time) on the last business day in October of each year (the "Annual Redemption Notice Period") subject to the Fund's right to suspend redemptions in certain circumstances. Redeeming unitholders will receive a redemption price per unit equal to the applicable NAV per unit on the annual redemption date, less any costs and expenses incurred by the Fund in order to fund such redemption, including brokerage costs.

In addition to the annual redemption right, units may also be surrendered at any time for redemption on the second last business day of any month (other than the month of November) (a "Monthly Redemption Date"), subject to certain conditions. Unitholders surrendering a unit for redemption on a Monthly Redemption Date will receive a redemption price per unit equal to the lesser of (i) 95% of the Market Price of a unit, and (ii) 100% of the Closing Market Price of a unit on the applicable Monthly Redemption Date less, in each case, any costs and expenses incurred by the Fund in order to fund such redemption, including brokerage costs, provided that in no event shall the redemption price per unit exceed 100% of the NAV per unit on the Monthly Redemption Date (the "Monthly Redemption Amount").

A unitholder who redeems a unit on a Monthly Redemption Date will be required to pay the Manager a redemption fee (the "Redemption Fee") equal to 6.0% of the Monthly Redemption Amount. No redemption fee is payable by a unitholder who redeems a unit on an annual redemption date.

On November 19, 2018 Fund units trading on the TSX under the ticker symbol UDA.UN were converted on a one-to-one basis to an open ended Fund traded under the Fund symbol CWF118. These existing units were designated as Series F units, with no load and no trailer suitable for investments in fee-based accounts. After this conversion, additional Series A units were available to be issued for investments in commission based accounts.

10. TAX STATUS

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). The Fund has a December 15 year-end for income tax purposes. The financial statements of the Fund do not include a provision for income taxes because any net investment income, including capital gains, is distributed throughout the year to unitholders or is distributable to unitholders and is taxable in their hands. Income tax on capital gains not paid to unitholders is recoverable pursuant to a formula based upon redemption of units of the Fund. Any tax losses are not deductible by the unitholders but may be carried forward by the Fund as permitted by the Income Tax Act (Canada). Withholding taxes on foreign dividend income are deducted at source.

Net realized capital losses of the Fund may be carried forward indefinitely to reduce future net realized capital gains. Gross capital losses as at December 31, 2018 is $nil (December 31, 2017: $nil).

Non-capital losses may be carried forward to reduce taxable income for up to twenty years. As at December 31, 2018, the Fund had non-capital losses of $nil (December 31, 2017: $nil).

11. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS RISK

Capital management

The Fund defines its capital as its net assets or equity, which is primarily composed of its investments. The Fund manages its investments in line with its investment objectives and the Fund does not have any externally imposed capital requirements.

Financial risk management

The Fund's investment activities expose it to various types of risks associated with financial instruments and markets in which it invests directly. The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's holdings and market events, and diversifying the investment portfolio within the constraints of the investment objectives.

To assist in managing risks, the Manager also uses internal guidelines to oversee the Fund's investment activities and monitors compliance with the Fund's investment strategy. The following is a summary of the main risks:

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments as disclosed in the Schedule of Investment Portfolio.

As at June 30, 2019, if the market value of the Fund's investments increased or decreased by 10%, with all other variables being constant, net asset value would have increased or decreased by approximately $2,003,498 (December 31, 2018 - $2,415,425). Actual results may be materially different from this analysis.

11. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS RISK (CONTINUED)

Liquidity risk

Liquidity risk is defined as the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price.

The Fund's exposure to liquidity risk is concentrated in the periodic cash redemptions of units. The Fund invests primarily in securities that are traded in active markets and as such market positions can be closed out readily, if required, in order for the Fund to meet its liquidity requirements.

All financial liabilities are due between one and three months.

Currency risk

The Fund invests in securities denominated in currencies other than its reporting currency. Consequently, the Fund is exposed to risks that the exchange rate of the reporting currency relative to the other currencies may change in a manner which has an adverse effect on the reported value of that portion of the Fund's assets.

The table below summarizes the Fund's exposure to currency risks. Amounts shown are based on the carrying value of monetary and non-monetary assets.

	Exposure			Impact if CAD strengthened or weakened by 1% in relation to other currencies		
Currency	**Monetary**	**Non-Monetary**	**Total**	**Monetary**	**Non-Monetary**	**Total**
June 30, 2019						
U.S. Dollar	$ 3,257,711	$ 20,034,983	$ 23,292,694	$ 32,577	$ 200,350	$ 232,927
% of Net Assets Value	13.83	85.06	98.89	0.14	0.85	0.99

	Exposure			Impact if CAD strengthened or weakened by 1% in relation to other currencies		
Currency	**Monetary**	**Non-Monetary**	**Total**	**Monetary**	**Non-Monetary**	**Total**
December 31, 2018						
U.S. Dollar	$ 6,159,782	$ 24,154,246	$ 30,314,028	$ 61,598	$ 241,542	$ 303,140
% of Net Assets Value	20.19	79.17	99.36	0.20	0.79	0.99

As at June 30, 2019, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net asset value would have decreased or increased, respectively, by approximately $232,927 (December 31, 2018 - $303,140). Actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing; accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing level of market interest rates.

11. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS RISK (CONTINUED)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

Where the Fund invests in debt instruments and derivatives, this represents the main concentration of credit risk. The fair value of debt instruments and derivatives includes consideration of the credit worthiness of the issuer, and accordingly, represents the maximum credit risk exposure of the Fund.

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

As at June 30, 2019 and December 31, 2018, the Fund had no significant investments in debt instruments and/or derivatives.

Investment concentration risk

The following table classifies the Fund's investments by economic sector concentrations as a percent of net assets as at June 30, 2019 and December 31, 2018.

	June 30, 2019		December 31, 2018	
	Percent of net assets	**Fair value**	Percent of net assets	Fair value
	%	**CAD$**	%	CAD$
Technology	**27.1%**	**6,380,875**	23.2%	7,079,696
Health Care	**14.6%**	**3,428,737**	19.7%	6,018,604
Financials	**12.1%**	**2,847,855**	10.5%	3,216,516
Consumer Cyclical	**13.6%**	**3,202,112**	9.7%	2,955,747
Industrials	**6.1%**	**1,442,983**	7.6%	2,321,362
Consumer Defensive	**11.6%**	**2,732,421**	7.0%	2,150,869
Materials	**0.0%**	**–**	1.4%	414,907
Total equities	**85.1%**	**20,034,983**	79.2%	24,157,701
Options sold short	**0.0%**	**–**	0.0%	(3,455)
Other assets less liabilities	**14.9%**	**3,519,194**	20.8%	6,355,673
Total net assets value	**100.0%**	**23,554,177**	100.0%	30,509,919

12. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS/EQUITY

The increase in net assets attributable to holders of redeemable units/equity for the periods ended June 30, 2019 and 2018 is calculated as follows:

	Increase in Net Assets Attributable to Holders of Redeemable Units/Equity per Series	Weighted Average of Redeemable Units/Equity Outstanding During the Period	Increase in Net Assets Attributable to Holders of Redeemable Units/Equity per Unit
June 30, 2019			
Series A	$ 110,313	95,302	$ 1.16
Series F	3,050,611	2,423,691	1.26
June 30, 2018*			
Series F	$ 319,138	5,162,209	$ 0.06

*Units are treated as equity.

13. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There has been no significant event after the statement of financial position date and the date of authorization of the financial statements which in the opinion of management requires additional disclosure in the financial statements.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Manager of the Fund and authorized for issue on August 21, 2019.