



Caldwell Investment Management Ltd.

Independent Investment Managers

Semi-Annual Management Report of Fund Performance For the Period Ended June 30, 2020

Tactical Sovereign Bond Fund

Note: The fund's auditor does not audit the Management Report of Fund Performance ("MRFP") but checks the figures to ensure they are consistent with the audited financial statements.

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual financial statements of the investment fund. You may obtain a copy of the semi-annual financial statements at your request, free of charge, by calling 1-800-256-2441, by writing to us at Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, P.O. Box 47, Toronto, ON M5H 1J9 or by visiting our website at www.caldwellinvestment.com or SEDAR at www.sedar.com.

Securityholders may also contact us by using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



Management Discussion of Fund Performance

Investment Objective

The fundamental investment objective of the Tactical Sovereign Bond Fund (the “Fund”) is to generate attractive total returns, while placing an emphasis on capital preservation, by investing primarily in a portfolio of government guaranteed bonds.

The investment objective of the Fund may only be changed with the approval of unitholders at a meeting called for that purpose.

Results of Operations

The Fund’s Series A units increased from \$4.57 to \$4.87, an increase of 6.6%. Assets in Series A increased from \$3.9 million to \$4.7 million

The Fund’s Series F are intended for use in fee-based accounts. These units increased from \$9.74 to \$10.42, an increase of 7.0%. Assets in this series increased from \$10.7 million to \$11.9 million.

Overall, the Fund’s assets increased from \$14.6 million to \$16.6 million during the first six months of 2018.

Recent Developments

The coronavirus pandemic spread from Asia in January to North America by March, 2020; setting off widespread shutdowns in economies that led to deep recessions. Government bond yields from U.S. and Canada started falling in January and their pace accelerated going into February, even before the stock market sell off in late February/early March.

Bond yields fell across the yield curve, making all-time lows in the longer maturities, as the Federal Reserve slashed the Fed funds rate range to 0.00% - 0.25%. The Bank of Canada also lowered the overnight policy rate to 0.25%, its official ‘lower bound’. Both central banks embarked on unprecedented amounts of quantitative easing, buying government bonds to calm extremely volatile markets and buying corporate debt to prevent bankruptcies and restore risk appetite.

In the process, yields of longer-dated U.S. Treasuries fell faster than those of Government of Canada bonds. The 10-year spread went from 30 basis points (Treasuries over Canadas) to at one point -12 basis points (Treasuries below Canadas).

After the initial panic widening, corporate spreads over government bonds narrowed as risk appetite returned; along with a remarkable recovery in equities.

The high case counts in the U.S. has weakened the U.S. dollar across the board, taking the



Canadian dollar higher in the process. The Fund's currency exposure for its investments in U.S. Treasuries have been fully-hedged during this period, protecting its unitholders in this regard.

Going forward, both U.S. Treasuries and Government of Canada bonds should benefit from investors seeking safety, both at home and around the world, where the government bond yields of large advanced economies are deep in negative territories.

The collapse in global trade could weigh on the Canadian dollar versus the U.S. dollar; since exports account for more than 30% of Canada's economy, but only around 10% for the U.S. The Fund will be able to benefit from a rising U.S. dollar/falling Canadian dollar through its ability to invest in U.S. Treasuries.

Independent Review Committee

Under the provisions of National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("NI 81-107"), which came into force on November 1, 2006, it is now required that all publicly offered investment funds, such as the Fund, establish an independent review committee ("IRC") to whom the manager is to refer all potential conflict of interest matters in order to obtain a recommendation or approval, as applicable. NI 81-107 further mandates that the IRC be composed of at least three independent members and requires that they conduct assessments and regularly report to the Manager and unitholders in respect of its duties.

The current members of the Manager's IRC are Supriya Kapoor, Ann Y.M. Harris and Jerry Beniuk, all of whom were appointed on December 1, 2019.

Forward-looking Statements

Certain statements included in this report may constitute forward-looking statements, including those identified by the expressions "believe", "anticipate", "expect" or similar expressions to the extent they relate to the Fund, its Manager or its portfolio manager. Such forward-looking statements are not historical facts but reflect the Fund's, the Manager's or the portfolio manager's current expectations regarding future results or events. Such forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. Readers are cautioned to consider these and other factors carefully when making decisions with respect to the Fund and not place undue reliance on forward-looking statements. Unless required by applicable law, the Fund does not undertake any obligation to update publicly or to revise any of such forward-looking statements, whether as a result of new information, future events or otherwise.

Forward-looking statements included or incorporated by reference in this report include statements with respect to:

- Interest rates
- Change in accounting policy



Related Party Transactions

Manager and Portfolio Adviser

The Manager is a wholly owned subsidiary of Caldwell Financial Ltd. The Manager is also the portfolio adviser of the Fund. The Manager is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. For its administrative services, trustee fees, asset allocation, security selection, ongoing monitoring and related services, the Manager is paid an annual fee up to 0.75% based on the net asset value of Series A units of the Fund, up to 0.50% based on the net asset value of Series D units of the fund and up to 0.25% based on the net asset value of Series F units of the Fund.

Trustee

The trustee of the Fund is Caldwell Investment Management Ltd.

Principal Distributor

Caldwell Securities Ltd. is related to the Manager in that both are wholly-owned subsidiaries of Caldwell Financial Ltd. Caldwell Securities Ltd. markets units of the Fund directly to the public and receives sales commissions and trailer fees based on the total value of their clients' holdings in the Fund on the same basis as other dealers that distribute units to the public.

Brokerage Arrangements

The purchase and sale of portfolio securities is arranged by the Manager through registered brokers or dealers. The Manager has a regulatory obligation to make reasonable efforts to achieve best execution of those portfolio trades when acting for the Funds. Best execution refers to the most advantageous execution terms reasonably available under the circumstances.

The Manager may choose to execute a portion of the Funds' portfolio transactions with Caldwell Securities Ltd., an affiliate of the Manager. The Manager applies its best execution policy in respect of both affiliated and non-affiliated dealers. Specifically, any trade allocation to an affiliated dealer is based on an assessment of the same best execution criteria.

Because Caldwell Securities Ltd. is an affiliate of the Manager and the interrelationship of their businesses, a conflict of interest exists that has the potential of influencing the Manager's choice of Caldwell Securities Ltd. to execute Fund portfolio transactions. The Manager addresses this conflict of interest by applying its best execution policy and by following best execution standing instructions issued by the Funds' independent review committee.

To date in 2020, the Fund has paid \$16,047 in commissions to Caldwell Securities Ltd. and for the similar period in 2019, the Fund paid \$46,917.



Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

The Fund's Net Asset Value (NAV), per Series A Unit, as at June 30, 2020 (unaudited) and December 31 of previous years:

	2020	2019	2018	2017	2016
Net Assets, beginning of year ⁽¹⁾	4.57	4.51	4.63	4.69	4.78
Increase (decrease) from operations:					
Total Revenue	0.04	0.07	0.05	0.05	0.03
Total Expenses	(0.04)	(0.11)	(0.09)	(0.06)	(0.08)
Realized gains (losses) for the period	0.20	0.11	(0.21)	(0.02)	0.00
Unrealized gains (losses) for the period	0.09	(0.01)	0.12	(0.04)	(0.02)
Total increase (decrease) from operations ⁽¹⁾	0.30	0.06	(0.13)	(0.07)	(0.07)
From Income (excluding dividends)	0.00	0.00	0.00	0.00	0.00
From Dividends	0.00	0.00	0.00	0.00	0.00
From Capital Gains	0.00	0.00	0.00	0.00	0.00
Return of Capital	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽²⁾	0.00	0.00	0.00	0.00	0.00
Net Assets at June 30 and December 31 of year shown	4.87	4.57	4.51	4.63	4.69

⁽¹⁾ Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽²⁾ Distributions were paid in cash or reinvested in additional units of the Fund or both.



The Fund's Net Asset Value (NAV), per Series F Unit, as at June 30, 2020 (unaudited) and December 31 of previous years:

	2020	2019	2018	2017	2016*
Net Assets, beginning of year ⁽¹⁾	9.75	9.58	9.79	9.86	0.00
Increase (decrease) from operations:					
Total Revenue	0.08	0.15	0.10	0.10	0.03
Total Expenses	(0.06)	(0.17)	(0.12)	(0.07)	(0.03)
Realized gains (losses) for the period	0.41	0.17	(0.52)	(0.04)	0.01
Unrealized gains (losses) for the period	0.21	0.01	0.29	(0.11)	(0.19)
Total increase (decrease) from operations ⁽¹⁾	0.67	0.16	(0.25)	(0.12)	(0.18)
Distributions:					
From Income (excluding dividends)	0.00	0.00	0.00	0.00	0.00
From Dividends	0.00	0.00	0.00	0.00	0.00
From Capital Gains	0.00	0.00	0.00	0.00	0.00
Return of Capital	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ⁽²⁾	0.00	0.00	0.00	0.00	0.00
Net Assets at June 30 and December 31 of year shown	10.42	9.75	9.58	9.79	9.86

⁽¹⁾ Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽²⁾ Distributions were paid in cash or reinvested in additional units of the Fund or both.

* The Fund's Series F commenced on July 25, 2016.

Ratios and Supplemental Data - Series A

	2020	2019	2018	2017	2016
Net assets (000's) ⁽¹⁾	4,705	3,991	4,183	4,821	5,121
Number of units outstanding ⁽¹⁾	965,576	873,570	926,902	1,040,131	1,091,170
Management expense ratio ⁽²⁾	1.66%	2.29%	1.87%	1.30%	1.64%
Management expense ratio before waivers or absorptions	1.66%	2.29%	1.87%	1.30%	2.45%
Portfolio turnover rate ⁽³⁾	349.35%	2302.19%	1,533.98%	720.40%	679.38%
Trading Expense ratio ⁽⁴⁾	1.22%	0.45%	0.20%	0.11%	0.22%



Ratios and Supplemental Data - Series F

	2020	2019	2018	2017	2016*
Net asset value (000's) ⁽¹⁾	11,999	10,569	12,277	32,804	25,004
Number of units outstanding ⁽¹⁾	1,151,190	1,084,534	1,281,258	3,352,015	2,536,349
Management expense ratio ⁽²⁾	1.07%	1.71%	1.26%	0.66%	0.71%
Management expense ratio before waivers or absorptions	1.07%	1.71%	1.26%	0.73%	1.19%
Portfolio turnover rate ⁽³⁾	349.35	2302.19%	1,533.98%	720.40%	679.38%
Trading Expense ratio ⁽⁴⁾	0.22%	0.45%	0.20%	0.11%	0.22%

⁽¹⁾ This information is provided as at June 30, 2019 (unaudited) and December 31 for previous years.

⁽²⁾ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the year.

⁽³⁾ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

⁽⁴⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

* The fund's Series F commenced on July 25, 2016.

Management Fees

As compensation for managing the Fund, the Manager can receive an annual fee up to 0.75% based on the net asset value of Series A units of the Fund, up to 0.50% based on the net asset value of Series D units of the Fund, and up to 0.25% based on the net asset value of Series F units of the Fund. Such fees are calculated daily and payable monthly. The Manager in turn is responsible for paying investment adviser fees, trustee fees, sales commissions, trailer fees and has chosen to absorb certain expenses for which the Fund is responsible.

Distribution	34%
Management and Portfolio Adviser Services	66%
Waivers and Absorption of Fund Expenses	0%



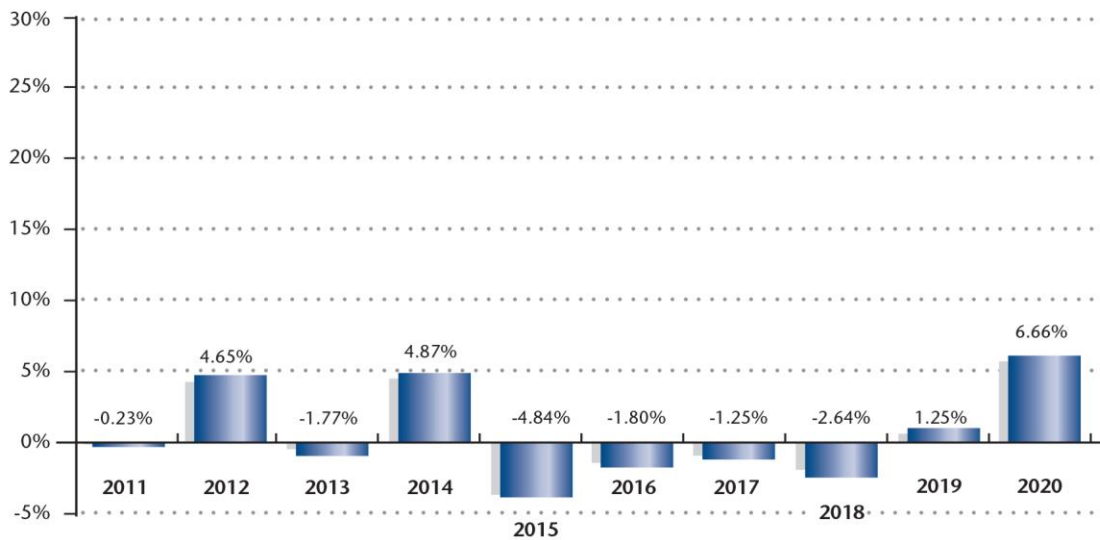
Past Performance

The following charts shows how the Fund has performed in the past, and can help you understand the risks of investing in the Fund. These returns include the reinvestment of all distributions and would be lower if they did not. They don't include deduction of sales, switch, redemption, or other optional charges (which distributors may charge) or income taxes payable, and would be lower if they did. The Fund's past performance is no guarantee of how it will perform in the future.

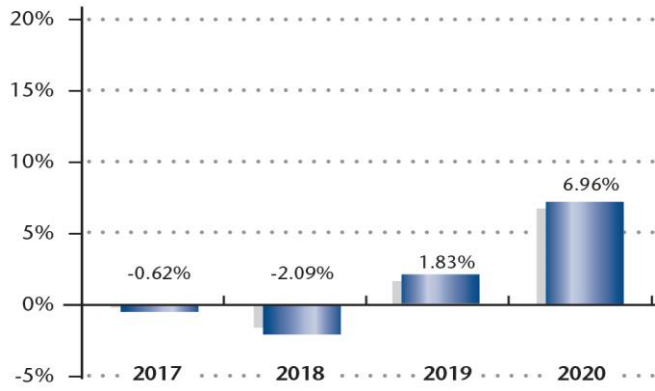
Year-by-Year Returns

The bar charts shows how the Fund's annual past performance has varied from year to year for each of the years shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 for each year.

For the years ended December 31 and the semi-annual period ending June 30



Tactical Sovereign Bond Fund - Series A

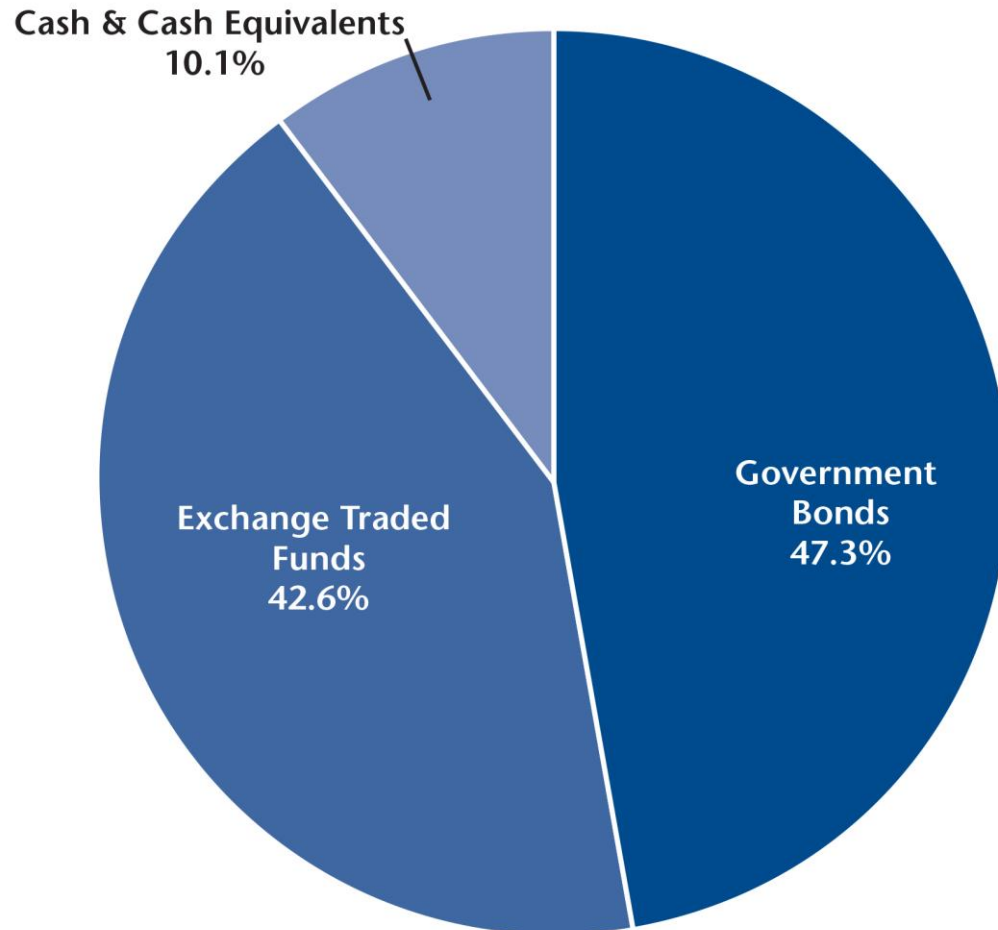


Tactical Sovereign Bond Fund - Series F



Summary of Investment Portfolio

Portfolio Breakdown as at June 30, 2020



Tactical Sovereign Bond Fund



Tactical Sovereign Bond Fund
Summary of Investment Portfolio
Top 25 Holdings
As at June 30, 2020

SECURITY	Percentage of Net Assets
iShares 1=3 Year Treasury Bond ETF	42.6%
United States Treasury Note/Bond 1.75% 15NOV2029	18.1%
Canadian Government Bond 2.75% 01JUN2022	17.1%
Canadian Government Bond 1.50% 01AUG2021	12.1%
Cash and Cash Equivalents	10.1%
All Holdings (the Fund has less than 25 holdings)	100.0%

The summary of investment portfolio may change. A quarterly update is available at www.caldwellinvestment.com.