



Caldwell Investment Management Ltd.

Independent Investment Managers

Annual Management Report of Fund Performance

For the Year Ended December 31, 2020

Caldwell U.S. Dividend Advantage 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 annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the 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 and Strategies

The investment objectives of the Fund are to provide holders of Units (“Unitholders”) with:

- (i) monthly cash distributions; and
- (ii) the potential for capital appreciation and enhanced long-term risk adjusted returns.

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

The Fund has been created to invest in an actively managed portfolio (the “Portfolio”) comprised primarily of U.S. dividend-paying equity securities that exhibit a combination of low current volatility and high profitability and are expected by the Manager to significantly benefit from the current U.S. economic expansion.

In addition, the Fund incorporates a disciplined risk management process that tactically shifts the portfolio away from certain market factors. From time to time, the Fund will hedge currency risk, market risk, or sector specific risk. Our strategy consists of utilizing a disciplined investment process that consists of a combination of quantitative and qualitative fundamental analysis in constructing and maintaining the Portfolio. Our Portfolio consists of the three following characteristics:

- 1) High Profitability
- 2) Dividend Paying
- 3) Low current volatility, determined in respect of the short term average distribution of daily returns

Results of Operations

The Caldwell U.S. Dividend Advantage Fund (“CUSDAF”) gained 7.2% in 2020. Positive contributors to the CUSDAF’s performance were Qualcomm (“QCOM”), Microsoft (“MSFT”) and Broadcom (“AVGO”). Negative contributors were Tyson Foods (“TSN”), US Bancorp (“USB”), and J.P. Morgan Chase (“JPM”). The CUSDAF did well to avoid losses in the Energy sector, and benefitted from an overweight position in Technology.

As a leading supplier of advanced smartphone semiconductors, QCOM is well positioned to benefit from the ongoing uptake of 5G phones, particularly in China where demand in 2020 recovered faster than expected. Additionally, sanctions on Huawei provide an opportunity for Qualcomm to gain market share in China as local phone makers look for substitute suppliers. With a long growth runway, increased content opportunities and highly probable market share gains, we believe Qualcomm will continue to cement its position as a market leader over the long term.



AVGO moved higher on data centre buildouts, 5G network expansion and Apple's 5G phone launch in its semiconductor solutions business. The Infrastructure software segment (which now accounts for 25% of revenue) continues to gain momentum among its core Fortune 500 customer base and comes with above company-average margins. AVGO continues to be a core holding given its strong growth outlook, free cash flow generation and dividend growth potential. MSFT moved higher on work, learn and play from home dynamics which drove strong demand for Microsoft's office productivity suite, cloud computing services, personal electronics and gaming offerings. Taking aim at Zoom, the company executed a quick ramp up of its Teams platform which now boasts over 115 million daily active users. Additionally, the highly anticipated release of the next generation Xbox and a rumored Windows 10 refresh are likely to sustain momentum into 2021. In all, we remain enthusiastic about Microsoft's long term growth prospects and ability to increase profitability as customers adopt additional services from a growing range of products. After a strong year of performance driven by Avian Swine Flu in 2019, TSN was negatively impacted by COVID-19 related disruption in its processing facilities. USB and JPM both moved lower on a low interest rate environment.

Recent Developments

Dividend growth investing has been the foundation of the Caldwell U.S. Dividend Advantage Fund's investment approach, as these stocks typically provide an attractive risk/reward profile over the long-term. As such, we believe our strategy of owning high quality, dividend growing stocks is an attractive way for investors to navigate this market, particularly as interest rates are now likely to remain lower for the foreseeable future.

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 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 Jerry Beniuk, Ann Harris and Supriya Kapoor.

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 1.75% based on the gross asset value of Series A units of the Fund, up to 1.00% based on the gross asset value of Series D units and up to 0.75% based on the gross asset value of Series F units and the ETF Series of the Fund.

Trustee

The trustee of the Fund is Caldwell Investment Management Ltd.

Brokerage

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 Fund. Best execution refers to the most advantageous execution terms reasonably available under the circumstances.

The Manager may choose to execute a portion of the Fund's 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 Fund's IRC.

In 2020, the Fund has paid \$nil in commissions to Caldwell Securities Ltd. and in 2019, the Fund paid \$20.



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 year. This information is derived from the Fund's audited annual financial statements and is presented for Series A units of the Fund and Series F units of the Fund.

The Fund's Net Asset Value (NAV), per Series A Unit as at December 31

| | 2020 | 2019 | 2018* |
|---|---------------|---------------|---------------|
| Net Assets, beginning of year ⁽³⁾ | 10.96 | 9.50 | 10.11 |
| Increase (decrease) from operations: | | | |
| Total Revenue | 0.19 | 1.59 | 0.02 |
| Total Expenses | (0.24) | (0.63) | (0.03) |
| Realized gains (losses) for the period | 0.35 | (0.86) | 0.46 |
| Unrealized gains (losses) for the period | 0.50 | 1.93 | (0.96) |
| Total increase (decrease) from operations ⁽¹⁾ | 0.80 | 2.03 | (0.51) |
| Distributions: | | | |
| From Income (excluding dividends) | 0.00 | 0.00 | 0.00 |
| From Dividends | 0.00 | 0.00 | 0.00 |
| From Capital Gains | 0.00 | 0.00 | 0.00 |
| Return of Capital | (0.40) | (0.40) | (0.23) |
| Total Annual Distributions ⁽²⁾ | (0.40) | (0.40) | (0.23) |
| Net Assets at December 31 of year shown ⁽³⁾ | 11.32 | 10.96 | 9.50 |

⁽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.

* Series A units commenced operations on November 22, 2018.



The Fund's Net Asset Value (NAV), per Series D Unit as at December 31

| | 2020* |
|---|---------------|
| Net Assets, beginning of year ⁽³⁾ | 0.00 |
| Increase (decrease) from operations: | |
| Total Revenue | 0.17 |
| Total Expenses | (0.14) |
| Realized gains (losses) for the period | 0.18 |
| Unrealized gains (losses) for the period | 1.20 |
| Total increase (decrease) from operations ⁽¹⁾ | 1.91 |
| Distributions: | |
| From Income (excluding dividends) | (0.03) |
| From Dividends | 0.00 |
| From Capital Gains | 0.00 |
| Return of Capital | (0.37) |
| Total Annual Distributions ⁽²⁾ | (0.40) |
| Net Assets at December 31 of year shown ⁽³⁾ | 11.40 |

⁽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.

* Series D units commenced operations on January 27, 2020.



The Fund's Net Asset Value (NAV), per ETF Series Unit as at December 31

| | 2020* |
|---|---------------|
| Net Assets, beginning of year ⁽³⁾ | 0.00 |
| Increase (decrease) from operations: | |
| Total Revenue | 0.17 |
| Total Expenses | (0.12) |
| Realized gains (losses) for the period | 0.26 |
| Unrealized gains (losses) for the period | 1.60 |
| Total increase (decrease) from operations ⁽¹⁾ | 1.91 |
| Distributions: | |
| From Income (excluding dividends) | (0.21) |
| From Dividends | (0.01) |
| From Capital Gains | 0.00 |
| Return of Capital | (0.12) |
| Total Annual Distributions ⁽²⁾ | (0.34) |
| Net Assets at December 31 of year shown ⁽³⁾ | 13.69 |

⁽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.

* ETF Series units commenced operations on March 11, 2020.



The Fund's Net Asset Value (NAV), per Series F Unit as at December 31

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|--------|--------|--------|--------|--------|
| Net Assets, beginning of year | 11.35 | 9.74 | 10.80 | 10.43 | 9.54 |
| Increase (decrease) from operations: | | | | | |
| Total Revenue | 0.19 | 0.05 | 0.41 | 0.58 | 0.71 |
| Total Expenses | (0.13) | (0.24) | (0.35) | (0.36) | (0.35) |
| Realized gains (losses) for the period | 0.39 | 0.93 | 0.50 | 0.63 | 0.26 |
| Unrealized gains (losses) for the period | 0.25 | 1.49 | (0.97) | 0.13 | 0.89 |
| Total increase (decrease) from operations ⁽¹⁾ | 0.70 | 2.23 | (0.41) | 0.98 | 1.51 |
| Distributions: | | | | | |
| From Income (excluding dividends) | (0.08) | 0.00 | (0.16) | (0.14) | 0.00 |
| From Dividends | 0.00 | 0.00 | (0.11) | (0.08) | (0.22) |
| From Capital Gains | 0.00 | 0.00 | (0.19) | (0.15) | 0.00 |
| Return of Capital | (0.32) | (0.40) | 0.00 | (0.23) | (0.33) |
| Total Annual Distributions ⁽²⁾ | (0.40) | (0.40) | (0.46) | (0.60) | (0.55) |
| Net Assets at December 31 of year shown | 11.86 | 11.35 | 9.74 | 10.80 | 10.43 |

⁽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.



Ratios and Supplemental Data – Series A

| | 2020 | 2019 | 2018 |
|--|---------|---------|--------|
| Net asset value (000's) ⁽¹⁾ | 8,138 | 6,332 | 477 |
| Number of units outstanding ⁽¹⁾ | 718,900 | 577,751 | 50,183 |
| Management expense ratio ⁽²⁾ | 1.88% | 3.18% | 2.96% |
| Management expense ratio before waivers or absorptions | 2.90% | 5.37% | 4.47% |
| Portfolio turnover rate ⁽³⁾ | 54.34% | 75.77% | 47.40% |
| Trading Expense ratio ⁽⁴⁾ | 0.08% | 0.07% | 0.31% |

Ratios and Supplemental Data – Series D

| | 2020 |
|--|--------|
| Net asset value (000's) ⁽¹⁾ | 27 |
| Number of units outstanding ⁽¹⁾ | 2,400 |
| Management expense ratio ⁽²⁾ | 1.11% |
| Management expense ratio before waivers or absorptions | 3.11% |
| Portfolio turnover rate ⁽³⁾ | 54.34% |
| Trading Expense ratio ⁽⁴⁾ | 0.08% |

Ratios and Supplemental Data – ETF Series

| | 2020 |
|--|---------|
| Net asset value (000's) ⁽¹⁾ | 4,105 |
| Number of units outstanding ⁽¹⁾ | 300,000 |
| Management expense ratio ⁽²⁾ | 0.86% |
| Management expense ratio before waivers or absorptions | 2.25% |
| Portfolio turnover rate ⁽³⁾ | 54.34% |
| Trading Expense ratio ⁽⁴⁾ | 0.08% |



Ratios and Supplemental Data – Series F

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|-----------|-----------|-----------|-----------|-----------|
| Net asset value (000's) ⁽¹⁾ | 21,118 | 25,100 | 30,033 | 68,298 | 65,652 |
| Number of units outstanding ⁽¹⁾ | 1,780,251 | 2,211,822 | 3,084,761 | 5,161,479 | 5,063,100 |
| Management expense ratio ⁽²⁾ | 0.86% | 2.15% | 2.90% | 2.73% | 2.69% |
| Management expense ratio before waivers or absorptions | 1.66% | 2.78% | 2.94% | 2.73% | 2.69% |
| Portfolio turnover rate ⁽³⁾ | 54.34% | 75.77% | 47.40% | 65.76% | 103.50% |
| Trading Expense ratio ⁽⁴⁾ | 0.08% | 0.07% | 0.31% | 0.67% | 1.23% |

⁽¹⁾ This information is provided as at December 31 of the year shown.

⁽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 a fund.

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

Management Fees

The Fund will pay to the Manager an annual management fee (the "Management Fee") up to 1.75% based on the gross asset value of Series A units of the Fund, up to 1.00% based on the gross asset value of Series D units and up to 0.75% based on the gross asset value of Series F units and the ETF Series of the Fund, accrued and calculated daily and payable monthly in arrears, plus applicable taxes.

| | |
|---|-------|
| Distribution | 24% |
| Management and Portfolio Adviser Services | (13%) |
| Waivers and Absorption of Fund Expenses | 89% |

Past Performance

The following charts show 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.



Annual Compound Returns

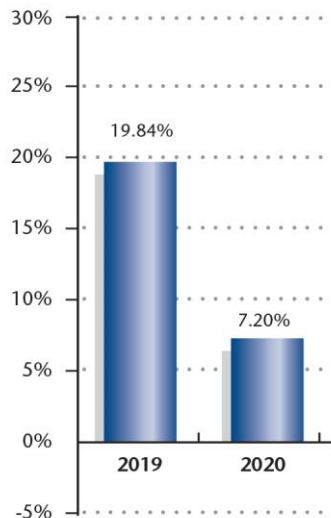
The table shows the Fund’s historical annual compound total return for each period since inception of the Fund, compared with the Fund benchmark. The benchmark is: the S&P 500 Index Total Return (CAD).

| Annualized Compound Returns | 1 Year | 3 Years | 5 Years | 10 Years |
|------------------------------------|---------------|----------------|----------------|-----------------|
| Fund – Series A | 7.20% | n/a | n/a | n/a |
| Fund – Series D | n/a | n/a | n/a | n/a |
| Fund – ETF Series | n/a | n/a | n/a | n/a |
| Fund – Series F | 8.32% | 8.42% | 10.17% | n/a |
| Index | 16.32% | 14.81% | 13.24% | 16.75% |
| | | | | |

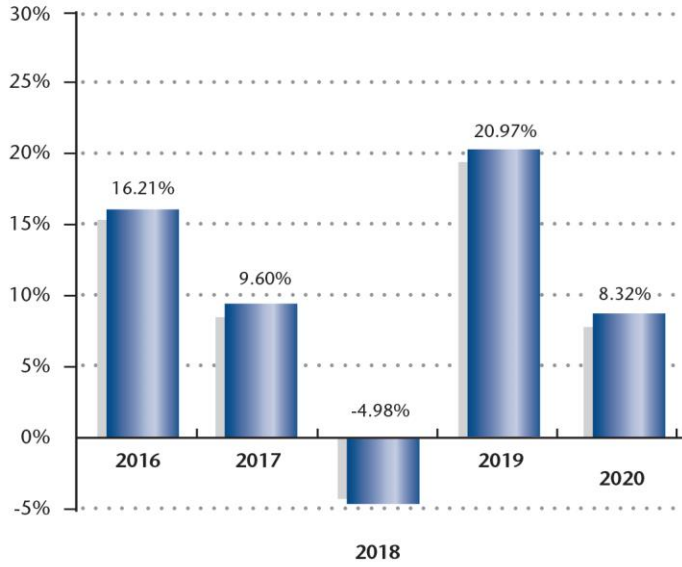
Year-by-Year Returns

The bar charts show 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



Caldwell U.S. Dividend Advantage Fund – Series A

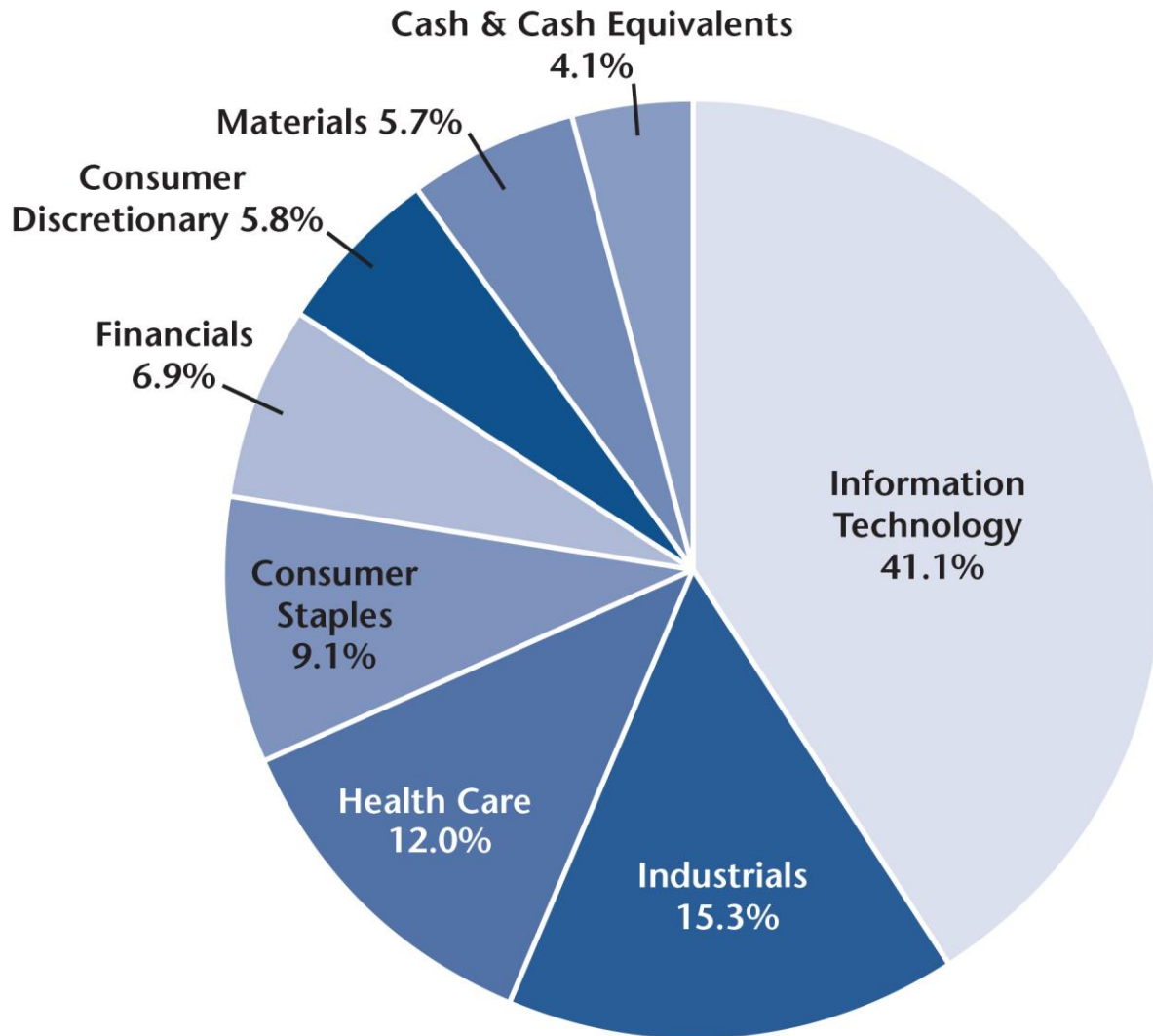


Caldwell U.S. Dividend Advantage Fund – Series F



Summary of Investment Portfolio

Portfolio Breakdown as at December 31, 2020



CALDWELL U.S. DIVIDEND ADVANTAGE FUND



**Top 25 Holdings
As at December 31, 2020**

| SECURITY | Percentage of Net Assets |
|---|---|
| L3Harris Technologies Inc. | 5.00% |
| Broadcom Inc. | 4.69% |
| UnitedHealth Group Inc. | 4.59% |
| Motorola Solutions Inc. | 4.25% |
| Texas Instruments Inc. | 4.25% |
| Microsoft Corp. | 4.18% |
| Cash & Cash Equivalents | 4.05% |
| Broadridge Financial Solutions Inc. ADR | 3.91% |
| Johnson & Johnson | 3.87% |
| QUALCOMM Inc. | 3.83% |
| S&P Global Inc. | 3.65% |
| Dollar General Corp. | 3.61% |
| Tetra Tech Inc. | 3.58% |
| Quest Diagnostics Inc. | 3.54% |
| Air Products and Chemicals Inc. | 3.44% |
| Intercontinental Exchange Inc | 3.28% |
| Amphenol Corp. Class 'A' | 3.14% |
| Church & Dwight Co. Inc. | 3.13% |
| Alimentation Couche-Tard Inc. Class 'B' | 3.12% |
| Mastercard Inc. Class 'A' | 3.11% |
| Watsco Inc. | 3.02% |
| KLA Corp. | 2.96% |
| CDW Corp. | 2.91% |
| Visa Inc., Class 'A' | 2.86% |
| Tyson Foods Inc., Class 'A' | 2.81% |
| Top 25 Holdings | 90.78% |

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