

Financial Statements of

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

June 30, 2021

(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 judgements made by the Trustee. The significant accounting policies which the Trustee believes are appropriate for the Trust are described in Note 2 to the unaudited interim financial statements.

On behalf of the Trustee

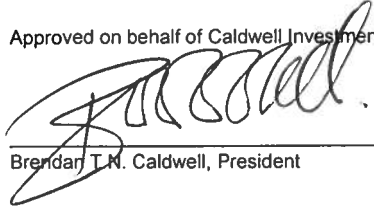
Date: August 26, 2021

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Financial Position As at June 30, 2021 and December 31, 2020 (Unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Current assets		
Cash	\$ 329,032	\$ 1,047,608
Foreign currencies	3,621,498	357,040
Financial assets at fair value through profit or loss (Note 4)	32,533,698	32,036,846
Dividends receivable	18,926	19,323
HST receivable	5,232	2,746
Prepaid expense	18,656	8,513
Due from Manager	69,746	59,455
Subscription receivable	76,486	-
	<u>36,673,274</u>	<u>33,531,531</u>
LIABILITIES		
Current liabilities		
Management fees payable (Note 6)	33,177	31,689
Accrued liabilities	88,821	70,750
Distributions payable	41,634	39,149
Redemption payable	62,986	-
	<u>226,618</u>	<u>141,588</u>
Net Assets Attributable to Holders of Redeemable Units	\$ 36,446,656	\$ 33,389,943
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	9,281,679	8,138,389
ETF Series	4,724,084	4,105,733
Series D	n/a	27,368
Series F	22,440,893	21,118,453
	<u>\$ 36,446,656</u>	<u>\$ 33,389,943</u>
Number of Redeemable Units Outstanding (Note 8)		
Series A	776,264	718,900
ETF Series	325,000	300,000
Series D	n/a	2,400
Series F	1,781,426	1,780,251
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	11.96	11.32
ETF Series	14.54	13.69
Series D	n/a	11.40
Series F	12.60	11.86
Series A (USD)	9.64	8.88
Series F (USD)	10.16	9.30

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



Brendan T.M. Caldwell, President

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Comprehensive Income (Loss) For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Income		
Dividends	\$ 248,176	\$ 265,037
Interest income for distribution purposes	–	1,364
Exchange gain on foreign currencies and other net assets	55,473	151,626
Change in unrealized appreciation (depreciation) on investments and foreign currency	1,058,510	(569,204)
Realized gain (loss) on sale of investments and forward contracts	1,489,603	(240,628)
	<u>2,851,762</u>	<u>(391,805)</u>
Expenses		
Management fees (Note 6)	193,507	158,464
Administrative fees	51,839	38,207
Withholding taxes	36,065	36,798
Audit fees	23,621	31,610
Securityholder reporting costs	19,989	15,946
Legal fees	17,534	32,678
Filing fee	10,176	13,694
Transaction costs (Note 6)	10,060	4,859
Custodial fee	6,298	9,697
Bank charges	1,125	724
Independent review committee fees	3,307	2,476
	<u>373,521</u>	<u>345,153</u>
Deduct: Expense absorbed by Manager (Note 6)	136,894	137,751
Net expenses	236,627	207,402
(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Units	\$ 2,615,135	\$ (599,207)
(Decrease) Increase in Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	621,628	(121,618)
ETF Series	342,384	78,754
Series D	4,152	1,461
Series F	1,646,971	(557,804)
	<u>\$ 2,615,135</u>	<u>\$ (599,207)</u>
Weighted Average of Redeemable Units Outstanding During the Period		
Series A	761,082	649,244
ETF Series	318,232	100,000
Series D	4,500	1,574
Series F	1,761,103	2,019,513
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit (Note 11)		
Series A	0.81	(0.19)
ETF Series	1.07	0.79
Series D	0.91	0.93
Series F	0.94	(0.28)

See Accompanying Notes

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30, 2021 and 2020 (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, 2021							
Series A	\$ 8,138,389	\$ 1,563,667	\$ (1,006,981)	\$ 621,628	\$ (152,918)	\$ 117,894	\$ 9,281,679
ETF Series	4,105,733	349,117	–	342,384	(73,150)	–	4,724,084
Series D	27,368	133,961	(165,481)	4,152	(752)	752	–
Series F	21,118,453	1,673,635	(1,859,436)	1,646,971	(350,965)	212,235	22,440,893
	<u>\$ 33,389,943</u>	<u>\$ 3,720,380</u>	<u>\$ (3,031,898)</u>	<u>\$ 2,615,135</u>	<u>\$ (577,785)</u>	<u>\$ 330,881</u>	<u>\$ 36,446,656</u>

	Net assets attributable to holders of redeemable units, beginning of period	Proceeds from redeemable units issued	Redemption of redeemable units	(Decrease) 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, 2020							
Series A	\$ 6,331,804	\$ 2,159,399	\$ (996,477)	\$ (121,618)	\$ (129,314)	\$ 102,527	\$ 7,346,321
ETF Series	–	1,200,000	–	78,754	(11,400)	–	1,267,354
Series D	–	23,500	–	1,461	(282)	282	24,961
Series F	25,099,697	819,679	(4,323,437)	(557,804)	(398,063)	265,713	20,905,785
	<u>\$ 31,431,501</u>	<u>\$ 4,202,578</u>	<u>\$ (5,319,914)</u>	<u>\$ (599,207)</u>	<u>\$ (539,059)</u>	<u>\$ 368,522</u>	<u>\$ 29,544,421</u>

See Accompanying Notes

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Condensed Interim Statements of Cash Flows

For the six months ended June 30, 2021 and 2020 (Unaudited)

	2021	2020
Cash provided by (used in):		
Operating Activities		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units	\$ 2,615,135	\$ (599,207)
Adjustments for:		
Transaction costs	10,060	4,859
Exchange gain on foreign currencies and other net assets	(55,473)	(151,626)
Change in unrealized (appreciation) depreciation in value of investments	(1,058,510)	569,204
Realized (gain) loss on sale of investments and forward contracts	(1,489,603)	240,628
Decrease in dividends receivable	397	3,493
Increase in HST receivable	(2,486)	(5,158)
(Increase) in prepaid expense	(10,143)	(33,723)
Decrease (increase) in due from manager	(10,291)	131,759
Increase in subscription receivable	(76,486)	-
Increase (decrease) in management fee payable	1,488	(650)
(Decrease) increase in accrued liabilities	18,071	(76,288)
Increase in redemption payable	62,986	-
Increase in distribution payable	2,485	-
Proceeds from sale of investments	8,339,919	3,852,004
Purchase of investments	(6,298,718)	(3,838,581)
Cash provided by operating activities	2,048,831	96,714
Financing Activities		
Proceeds from issuances of redeemable units	3,720,380	4,202,578
Amounts paid on redemption of redeemable units	(3,031,898)	(5,319,914)
Distribution paid	(246,904)	(170,537)
Cash used in financing activities	441,578	(1,287,873)
(Decrease) increase in cash during the period	2,490,409	(1,191,159)
Foreign exchange loss on cash	55,473	151,626
Cash, beginning of period	1,404,648	2,562,608
Cash (including foreign currencies), end of period	\$ 3,950,530	\$ 1,523,075
Supplemental information*		
Interest received	-	1,364
Dividends received, net of withholding taxes	212,508	231,732

*Included as a part of cash flows from operating activities

CALDWELL U.S. DIVIDEND ADVANTAGE FUND

Schedule of Investment Portfolio (Unaudited)

As at June 30, 2021

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	Canadian equities			
24,000	Alimentation Couche-Tard Inc., Class 'B'	1,109,580	1,093,200	3.00
11,800	Magna International Inc.	1,321,341	1,355,071	3.72
		<u>2,430,921</u>	<u>2,448,271</u>	<u>6.72</u>
	U.S. equities			
3,500	Advanced Energy Industries Inc.	527,657	489,004	1.34
3,307	Air Products and Chemicals Inc.	806,056	1,179,303	3.24
12,600	Amphenol Corp., Class 'A'	911,942	1,068,493	2.93
5,614	AO Smith Corp.	351,632	501,474	1.38
2,807	Broadcom Inc.	1,038,680	1,659,192	4.55
6,700	Broadridge Financial Solutions Inc., ADR	1,238,257	1,341,558	3.68
4,970	CDW Corp.	766,463	1,075,986	2.95
9,400	Church & Dwight Co. Inc.	1,152,304	993,004	2.72
4,500	Dollar General Corp.	1,179,316	1,207,067	3.31
13,400	Fastenal Co.	784,619	863,753	2.37
7,465	Intercontinental Exchange Inc.	957,641	1,098,404	3.01
5,145	Johnson & Johnson	882,866	1,050,669	2.88
6,943	L3Harris Technologies Inc.	1,811,234	1,860,304	5.10
3,400	Martin Marietta Materials Inc.	1,437,790	1,482,753	4.07
2,287	Mastercard Inc., Class 'A'	693,393	1,035,018	2.84
4,924	Microsoft Corp.	566,450	1,653,517	4.54
5,949	Motorola Solutions Inc.	1,132,637	1,599,135	4.39
6,897	Quest Diagnostics Inc.	878,701	1,128,280	3.10
2,191	S&P Global Inc.	533,799	1,114,767	3.06
11,900	Tetra Tech Inc.	1,618,348	1,800,241	4.94
4,500	Texas Instruments Inc.	784,571	1,072,688	2.94
2,200	The Home Depot Inc.	794,187	869,651	2.39
3,431	UnitedHealth Group Inc.	1,135,781	1,703,098	4.67
3,431	Visa Inc., Class 'A'	697,219	994,452	2.73
3,500	Watsco Inc.	1,009,171	1,243,616	3.41
		<u>23,690,714</u>	<u>30,085,427</u>	<u>82.54</u>
	Total investments owned	26,121,635	32,533,698	89.26
	Commissions and other portfolio transaction costs	<u>(17,767)</u>	<u>—</u>	<u>—</u>
	Net investments owned	\$ 26,103,868	32,533,698	89.26
	Other assets, net		<u>3,912,958</u>	<u>10.74</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>36,446,656</u>	<u>100.00</u>

NOTES TO FINANCIAL STATEMENTS (Unaudited)

June 30, 2021

Investment Objective

The investment objective of the Caldwell U.S. Dividend Advantage Fund (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.

1. FORMATION OF FUND

The Fund is an open-ended mutual fund trust established under the laws of the Province of Ontario and first active as a public closed-end investment fund May 28, 2015. On September 28, 2018, the unitholders of the Fund approved its conversion to an open-ended mutual fund (the "Conversion") to be offered to the public pursuant to a Simplified Prospectus, with its first offering post Conversion pursuant to a Simplified Prospectus dated November 15, 2018. The Fund is governed by an Amended and Restated Declaration of Trust dated December 17, 2019, as amended from time to time. Caldwell Investment Management Ltd. is the Manager and the Trustee and is a wholly-owned subsidiary of Caldwell Financial Ltd.

The Fund is authorized to issue an unlimited number of redeemable units of the same series which rank equally in all respects to a pro rata interest in the net assets attributable to the holders of redeemable units of the Fund. All redeemable units of the Fund are redeemable at the unitholders' option.

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

The financial statements were approved by the Manager and Trustee and authorized for issue on August 26, 2021 and are comprised of the Statement of Financial Position as at June 30, 2021, Schedule of Investment Portfolio as at June 30, 2021 and the Statement of Comprehensive Income, Changes in Net Assets Attributable to Holders of Redeemable Units and Cash flows for the six months ended June 30, 2021.

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.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Presentation

These interim financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). The Fund has consistently applied the accounting policies used in the preparation of the most recent audited annual financial statements for the year ended December 31, 2020. These interim financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities that have measured at fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following summarized the significant policies of the Fund:

Financial Instruments

Financial instruments include financial assets and liabilities, such as investments, derivatives, cash and cash equivalents and other receivables and payables. The Fund classifies and measures financial instruments in accordance with IFRS 9, *Financial Instruments*, ("IFRS 9"). Upon initial recognition, financial instruments are classified as fair value through profit or loss ("FVTPL"). All financial assets and liabilities are recognized in the Statements of Financial Position when the fund becomes a party to the contractual requirements of the instrument and are derecognized when the right to receive cash flows from the instrument has expired or the fund has transferred substantially all the risks and rewards of ownership. Investment purchase and sale transactions are recorded as of the trade date.

Financial assets and financial liabilities are subsequently measured at FVTPL with changes in fair value recognized in the Statements of Comprehensive Income.

The fair value of investments and derivatives are measured using accounting policies substantially similar to those used in the measurement of the Fund's net asset value ("NAV") for the processing of unitholder transactions in accordance with National instrument 81-106 *Investment Fund Continuous Disclosure*. The NAV of a particular series is calculated based on that series' proportionate share of the assets and liabilities of the fund common to all series less the liabilities of the fund attributable only to that series. As of June 30, 2021, there were no differences between the Fund's NAV per unit and net assets attributable to holders of redeemable units per unit.

NOTES TO FINANCIAL STATEMENTS (Unaudited)
June 30, 2021

Valuation of Investments

Fair value represents 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 is determined as follows:

- (a) Investments traded in an active market, through recognized organized exchanges and over-the-counter markets, are valued based on quoted market prices at the close of trading on the reporting date. 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 circumstances 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.
- (b) Investments that are not traded in an active market are valued using valuation techniques. The Fund uses a variety of methods and make assumptions that are based on market conditions existing at each reporting date and include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, option pricing models and other techniques commonly used by market participants and which make the maximum use of observable inputs.
- (c) Options are valued at the closing price of the principal exchange or over-the-counter market on which the contract is traded.
- (d) Foreign exchange contracts are valued based on the difference between the contractual forward rates and the mid forward rates for currency held (long or short) at the measurement date.

Cash and cash equivalents

Cash and cash equivalents, which include deposits with financial institutions with an original maturity date of 90 days or less as of the date of purchase, are reported at fair value which closely approximates their amortized cost as a result of their being highly liquid and having short terms to maturity. Where in net bank overdraft positions, cash and cash equivalents are presented as current liabilities in the Statements of Financial Position.

Portfolio transaction costs and commissions

Commissions and other portfolio transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, and includes fees, and commissions paid to brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer duties and taxes. These costs are included in the Statements of Comprehensive Income as an expense.

Cost of investments

The amount paid for each security, determined on an average cost basis excluding commissions and other portfolio transaction costs, represents the cost of investments, where applicable.

Investment transactions and income recognition

Investment transactions are accounted for on the trade date. Realized gains and losses on the sale of investments and unrealized appreciation and depreciation of investments are calculated on an average cost basis and are reported in the Statements of Comprehensive Income. Average cost does not include the amortization of premiums or discounts on debt instruments with the exception of zero coupon bonds.

Interest income for distribution purposes shown in the Statement of Comprehensive Income represents coupon interest on debt instruments accounted for on an accrual basis. The Fund does not amortize premiums paid or discounts received on the purchase of debt instruments except for zero coupon bonds which are amortized on a straight line basis and included in the Statements of Comprehensive Income. Interest receivable is shown in the Statements of Financial Position based on the debt instruments' stated rates of interest. Interest income is accrued daily.

Dividend income and distributions from investments, including exchange traded funds ("ETFs"), are recognized on the ex-dividend date.

Foreign exchange forward contracts and currency translation

The Fund may enter into foreign exchange forward contracts for economic hedging purpose or to establish exposure to a particular currency. Unrealized gains and losses on foreign exchange forward contracts are included in "Change in unrealized appreciation (depreciation) on investments and foreign currency" in the Statements of Comprehensive Income. Upon closing a contract, the gain or loss is included in "Realized gain on sale of investments and forward contracts". Outstanding settlement amounts on the close out of foreign exchange forward contracts are included in "Forward contracts" as a current asset or current liability in the Statements of Financial Position.

NOTES TO FINANCIAL STATEMENTS (Unaudited)

June 30, 2021

The monetary assets and liabilities of the Fund are translated into Canadian dollars, the Fund's functional currency, at exchange rates in effect at the date of the Statement of Financial Position. Non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred.

Offsetting of financial assets and liabilities

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. The Fund enters into various agreements that do not meet the criteria for offsetting in the Statements of Financial Position, but still allow for the amounts to be offset in certain circumstances, such as contract termination.

Impairment of financial assets

The Fund assesses, at each reporting date, whether there exists objective evidence that a financial asset at amortized cost is impaired. To the extent such evidence exists, an impairment loss is recognized as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the loss amount decreases and the event giving rise to the decrease can objectively be related to an event occurring after the impairment was recognized.

Valuation of the Fund's redeemable units

The Fund's outstanding redeemable units are entitled to a distribution of any net income and net realized capital gains at least annually in addition to the ongoing redemption feature. In accordance with the requirements of IAS 32, *Financial Instruments: Presentation*, the Fund's outstanding redeemable units are classified as financial liabilities and measured at redemption amounts. The Fund's redeemable units are issued and redeemed at NAV per unit as determined on the Valuation Date (a day on which the Toronto Stock Exchange is open for business) less any applicable redemption fee.

Allocation of income and expenses

Expenses directly attributable to a Series are charged directly to that Series. Income, realized and unrealized gains and losses from investment transactions and other expenses are allocated proportionately to each Series based on the relative NAV of each Series.

Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit

Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit is based on the increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding management fee distributions) divided by the weighted average number of units outstanding during the periods ended June 30, 2021 and 2020.

Income taxes

The Fund qualifies as a mutual fund trust for income tax purposes and annually distributes all of its net taxable investment income and net realized taxable capital gains. The amount of net realized taxable capital gains available for distribution is reduced by the amount of net capital gains to be retained in the Fund in order to enable the Fund to fully utilize any available tax credit attributable to redemptions during the year. Such income and net realized capital gains are taxable only in the hands of the unitholders. Accordingly, no provision for Canadian income taxes has been made in the financial statements of the Fund.

Withholding taxes on foreign dividend income are deducted at source.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions in applying accounting policies that may affect the reported amounts of assets, liabilities, income and expenses as at and during the period. Actual results could differ from those estimates. The following discusses the most significant accounting estimates and judgements that the Fund has made in preparing the financial statements:

Since the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a pandemic on March 11, 2020, governments around the world enacted emergency measures that resulted in business disruptions, volatility in markets and a global economic slowdown.

The duration and ongoing impact of the pandemic on businesses and markets is unknown at the reporting date and therefore it is not possible to reliably estimate the impact on the financial results and position of the Fund in future periods.

NOTES TO FINANCIAL STATEMENTS (Unaudited)
June 30, 2021

Fair value measurement of securities not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques which may use reputable pricing sources or indicative prices from market makers and other such sources. Such pricing sources are indicative and not executable or binding. As the Manager must use judgement in making such estimates, the fair values may differ from the values that would have been used had an active market existed.

Classification of financial instruments

In classifying financial instruments held by the Fund, the Manager is required to make significant judgements in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Fund's business models, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate classification of the Fund's financial instruments.

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.

4. FINANCIAL INSTRUMENTS

Fair Value Measurement

The fair value hierarch framework provides information to financial statement users about the relative observability of inputs to fair value measurements. The hierarchy has the following levels:

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

The classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following table illustrates the classifications of the Fund's financial instruments within the fair value hierarchy as at June 30, 2021 and December 31, 2020.

Financial Assets at fair value as at June 30, 2021

	Level 1	Level 2	Level 3	Total
Caldwell U.S. Dividend Advantage Fund				
Equities	\$ 32,533,698	\$ -	\$ -	\$ 32,533,698

Financial Assets at fair value as at December 31, 2020

	Level 1	Level 2	Level 3	Total
Caldwell U.S. Dividend Advantage Fund				
Equities	\$ 32,036,846	\$ -	\$ -	\$ 32,036,846

There were no transfers between levels during the periods ended June 30, 2021 and December 31, 2020.

NOTES TO FINANCIAL STATEMENTS (Unaudited)
June 30, 2021

5. MANAGEMENT OF FINANCIAL INSTRUMENTS RISK

In the normal course of business, each fund may be exposed to a variety of financial risks associated with financial instruments and markets in which it invests directly. The Manager seeks to minimize potential adverse effects of these risks on a 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.

The Manager has practices in place to monitor returns based on the risk profile of the Fund as well as monitoring ongoing compliance with investment restrictions to ensure each fund is being managed in accordance with their stated investment objectives, strategies and applicable securities regulation.

The following is a summary of the main risks:

Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector, or counterparty exposure.

The following table classifies the Fund's investments by economic sector concentrations as a percent of net assets as at June 30, 2021 and December 31, 2020.

	June 30, 2021		December 31, 2020	
	Percent of net assets	Fair Value	Percent of net assets	Fair Value
	%	CAD\$	%	CAD\$
Information Technology	32.9%	11,989,043	41.1%	13,737,522
Industrials	17.2%	6,269,388	15.3%	5,098,207
Health Care	10.7%	3,882,047	12.0%	4,005,391
Consumer Discretionary	9.4%	3,431,789	5.8%	1,948,441
Materials	7.3%	2,662,056	5.7%	1,910,878
Financials	6.1%	2,213,171	6.9%	2,313,588
Consumer Staples	5.7%	2,086,204	9.1%	3,022,811
Total equities	89.3%	32,533,698	95.9%	32,036,846
Other assets less liabilities	10.7%	3,912,958	4.1%	1,353,091
Total net assets value	100.00%	36,446,656	100.00%	33,389,943

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 a fund. Where a 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 creditworthiness of the issuer and/or the counterparty. Should the Fund invest in ETFs, it may be exposed to indirect credit risk in the event that the ETFs invest in debt instruments and derivatives. The Fund is also exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivable balances. 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 occurs only once the broker has received payment and 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.

References made to credit rating are obtained from Standard & Poor's ("S&P Global") and/or DBRS Morningstar ("DBRS").

The Fund may invest in financial assets that are private placements and as such, are not rated by DBRS and S&P Global.

As at June 30, 2021 and December 31, 2020, the Fund had no significant investments in debt instruments and/or derivatives.

NOTES TO FINANCIAL STATEMENTS (Unaudited)
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Currency risk

The Fund may invest in securities denominated in currencies other than its reporting currency. Consequently, the Fund may be exposed to risks that the exchange rate of the reporting currency, Canadian dollars, 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.

Currency	Exposure			Impact if CAD strengthened or weakened by 1% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
June 30, 2021						
U.S. Dollar	\$ 3,640,424	\$ 31,440,498	\$ 35,080,922	\$ 36,404	\$ 314,405	\$ 350,809
% of Net Assets Value	9.99	86.26	96.25	0.10	0.86	0.96

Currency	Exposure			Impact if CAD strengthened or weakened by 1% in relation to other currencies		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
December 31, 2020						
U.S. Dollar	\$ 376,213	\$ 30,995,726	\$ 31,371,939	\$ 3,762	\$ 309,957	\$ 313,719
% of Net Assets Value	1.13	92.83	93.96	0.01	0.93	0.94

As at June 30, 2021, 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 \$350,809 (December 31, 2020 – \$313,719). Actual results may differ from this sensitivity analysis and the difference could be material.

Interest rate risk

The Fund may invest in fixed and floating rate securities. The income of the Fund may be affected by changes in interest rates relevant to particular securities or as a result of management being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movement in the future.

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 as at June 30, 2021 and December 31, 2020.

Liquidity risk

The Fund must maintain sufficient cash and marketable securities and manage liquidity risk through their ability to close out market positions.

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.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. Any equity and derivative instruments that the Fund may hold are susceptible to market price risk arising from uncertainties about future prices of the instruments. Management moderates this risk through a careful selection of securities

NOTES TO FINANCIAL STATEMENTS (Unaudited)
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and other financial instruments within the parameters of the investment strategy. The maximum risk resulting from financial instruments is equivalent to their fair value.

As at June 30, 2021, 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 \$3,253,370 (December 31, 2020: \$3,203,685). Actual results may be materially different from this analysis.

6. RELATED PARTY TRANSACTIONS AND OPERATING EXPENSES

Management fees

The Manager is responsible for the day-to-day business of the Fund, which includes providing key management personnel. The Manager acts as the investment manager itself to manage the investment portfolio of the Fund. The Fund pays a management fee (the "Management Fee"), calculated and accrued daily, to the Manager in respect of each Series of redeemable units of the Fund, payable monthly in arrears.

The annual Management Fee is equal to the following percentages of the average NAV of each Series:

	Series A	ETF Series	Series F
Caldwell U.S. Dividend Advantage Fund	1.75%	0.75%	0.75%

For the period ended June 30, 2021, Fund incurred a management fee of \$193,507 (June 30, 2020: \$158,464) and the Fund accrued management fees payable of \$33,177 (December 31, 2020: \$31,689).

Commissions

Commissions and other portfolio transactions are costs incurred to acquire, issue or dispose of financial assets or liabilities. The Manager is related to Caldwell Securities Ltd. ("CSL"), a securities dealer, as both entities are wholly-owned subsidiaries of Caldwell Financial Ltd. The Fund has approved CSL as an executing broker for the purposes of purchases and sales of portfolio investments, subjective to the Manager's broker selection and best execution policies and procedures. Transaction costs of \$nil were paid to CSL for the period ended June 30, 2021 (June 30, 2020: \$54)

Operating Expenses

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 the Fund, and is summarized in the table below. These waivers/absorptions may be terminated at any time by the Manager and at the Manager's discretion, or may be continued indefinitely.

	Absorbed Management Fees	
	June 30, 2021	June 30, 2020
Caldwell U.S. Dividend Advantage Fund	\$136,894	\$137,751

Independent Review Committee ("IRC")

In accordance with National Instrument 81-107 *Independent Review Committee for Investment Funds*, the Manager has established an IRC for the Fund. The mandate of the IRC is to review and make recommendations with respect to, or in certain circumstances approve, conflicts of interest matters but only if such matters are brought to it by the Manager. Remuneration paid to the members of the IRC are charged to the Fund and the amount is included in Expenses in the Statements of Comprehensive Income.

7. SOFT DOLLAR COMMISSIONS

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 on behalf of the Caldwell U.S. Dividend Advantage Fund for the period ended June 30, 2021 was \$4,025 (June 30, 2020: \$6,716). The value of certain proprietary services provided by brokers cannot be reasonably estimated.

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8. REDEEMABLE UNITS OF THE FUND

The Fund is authorized to issue an unlimited number of redeemable units, issuable in an unlimited number of series, each of which represents an equal, undivided, beneficial interest in the net assets attributable to holders of redeemable units of the Fund. Each unit of each series entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Redeemable units of a series may be consolidated and/or sub-divided by the Manager.

Redeemable units of the Fund may be surrendered for redemption on a daily basis, for a redemption price per series per unit equal to the series Net Asset Value per unit calculated as at the close of business on the Redemption Date.

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

	Units, beginning of period	Units issued	Units redeemed	Reinvestments of units	Units, end of period
June 30, 2021					
Series A	718,900	134,938	(87,767)	10,193	776,264
ETF Series	300,000	25,000	-	-	325,000
Series D	2,400	11,579	(14,043)	64	-
Series F	1,780,251	137,622	(153,920)	17,473	1,781,426
June 30, 2020					
Series A	577,751	199,153	(92,412)	9,780	694,272
ETF Series	-	100,000	-	-	100,000
Series D	-	2,324	-	27	2,351
Series F	2,211,822	72,474	(412,078)	24,266	1,896,484

Capital disclosure

The capital of the Fund is represented by issued redeemable units. The redeemable units are entitled to distributions, if any, and to payment of a proportionate share based on the Fund's Net Asset Value per series unit upon redemption. The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of redeemable units. The relevant movements are shown on the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units. In accordance with its investment objectives and strategies, and the risk management practices outlined in Note 5, the Fund endeavor to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by disposal of investments where necessary.

9. TAX STATUS

Taxation of open-ended mutual fund trusts

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). 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 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.

Losses carried forward

Net realized capital losses of the Fund may be carried forward indefinitely to reduce future net realized capital gains. Gross capital losses for the Fund at each year end are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Caldwell U.S. Dividend Advantage Fund	NIL	NIL

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Non-capital losses may be carried forward to reduce taxable income for up to twenty years. Non-capital losses for the Fund at each year end are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Caldwell U.S. Dividend Advantage Fund	NIL	NIL

10. EVENTS AFTER STATEMENT OF FINANCIAL POSITION DATE

There have been no significant events between 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.