



Caldwell Investment Management Ltd.

Independent Investment Managers

Semi-Annual Management Report of Fund Performance

For the Period Ended June 30, 2018

Caldwell Balanced Fund

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 Fund is to provide consistent capital appreciation through a balanced portfolio while emphasizing the preservation of unitholder value. The Fund invests in a balance of income generating securities and equities both in Canada and internationally.

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 Caldwell Balanced Fund performed well in the first half of the year, returning 2.4% amidst a volatile market environment. The fund benefited considerably from sector selection – specifically, being overweight Information Technology, which performed very well. Security selection was a slight detractor, driven by underperformance in Consumer Discretionary, although it is worth noting that 5 of the 8 sectors that we participated in had positive security selection.

The table below shows the top and bottom individual stock contributors. The top contributors outpaced the bottom contributors by a factor of 1.6x.

Top Contributors		Bottom Contributors	
Company	BPS	Company	BPS
Keysight Technologies Inc	168	LCI Industries Inc	-130
Mitel Networks Corp	125	Bird Construction Inc	-126
Broadridge Financial	116	Berry Global Group Inc	-67
KKR & Co	112	Tyson Foods Inc	-44
TFI International Inc	102	Delphi Technologies PLC	-33
Top 5	623	Bottom 5	-400

Recent Developments

Markets continue to be quite volatile. In the U.S., many investors remain torn – on one hand, the U.S. economy is strong, there are record S&P 500 earnings, and more attractive multiples than we have seen in a time. On the other, trade tensions are heightened, interest rates are rising, inflation expectations are climbing due to higher wages/commodity prices, and we are yet another year into an elongated bull market cycle.

Canadian investors also have much to think about - rising commodity prices can be a boon to the economy and stocks, yet NAFTA negotiations, heightened consumer debt, and new restrictive mortgage rules provide considerable uncertainty.



We believe the re-introduction of volatility will be beneficial to stock pickers, particularly those with high conviction, concentrated portfolios. We continue to focus on quality companies that can deliver shareholder value regardless of the environment that they operate.

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 Sharon Kent, Trent Morris and F. Michael Walsh.

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 2% based on the net asset value of Series A units of the Fund and up to 1% 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 2018 the Fund has paid \$50,136 in commissions to Caldwell Securities Ltd and has paid \$36,084 for the similar period in 2017.



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 and unaudited semi-annual financial statements.

The Fund's Net Asset Value (NAV), per Series A Unit, as at June 30, 2018 and December 31 of previous years:

	2018	2017	2016	2015	2014
Net Assets, beginning of year	10.95	10.71	10.05	9.69	8.72
Increase (decrease) from operations:					
Total Revenue	0.08	0.19	0.17	0.18	0.18
Total Expenses	(0.16)	(0.30)	(0.26)	(0.28)	(0.25)
Realized gains (losses) for the period	0.55	0.66	0.55	0.46	0.80
Unrealized gains (losses) for the period	(0.20)	(0.31)	0.18	(0.02)	0.24
Total increase (decrease) from operations ⁽¹⁾	0.27	0.24	0.64	0.34	0.97
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	11.22	10.95	10.71	10.05	9.69

⁽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 are paid in cash or reinvested in additional units of the Fund.



The Fund's Net Asset Value (NAV), per Series F Unit, as at June 30, 2018 and December 31 of previous years:

	2018	2017	2016	2015	2014*
Net Assets, beginning of year	11.43	11.05	10.26	9.78	9.13
Increase (decrease) from operations:					
Total Revenue	0.09	0.20	0.18	0.20	0.07
Total Expenses	(0.10)	(0.19)	(0.12)	(0.17)	(0.07)
Realized gains (losses) for the period	0.56	0.63	0.63	0.42	0.21
Unrealized gains (losses) for the period	(0.21)	(0.32)	0.98	(0.31)	0.44
Total increase (decrease) from operations ⁽¹⁾	0.34	0.32	1.67	0.14	0.65
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 December 31 of year shown	11.78	11.43	11.05	10.26	9.78

⁽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 are paid in cash or reinvested in additional units of the Fund.

* The Fund's Series F commenced on August 8, 2014.



The Fund's Net Asset Value (NAV), per Series M Unit, as at June 30, 2018 and December 31 of previous years.

	2018	2017	2016*
Net Assets, beginning of year	10.84	10.45	10.00
Increase (decrease) from operations:			
Total Revenue	0.08	0.19	0.07
Total Expenses	(0.08)	(0.16)	(0.05)
Realized gains (losses) for the period	0.54	0.57	0.25
Unrealized gains (losses) for the period	(0.19)	0.00	0.41
Total increase (decrease) from operations ⁽¹⁾	0.35	0.60	0.68
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	0.00	0.00	0.00
Total Annual Distributions ⁽²⁾	0.00	0.00	0.00
Net Assets at June 30 and December 31 of year shown	11.18	10.84	10.45

⁽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 are paid in cash or reinvested in additional units of the Fund.

* The Fund's Series M commenced on September 15, 2016.



Ratios and Supplemental Data (unaudited) - Series A

	2018	2017	2016	2015	2014
Net asset value (000's) ⁽¹⁾	46,145	50,866	54,009	52,846	47,324
Number of units outstanding ⁽¹⁾	4,113,114	4,644,411	5,043,980	5,256,477	4,881,726
Management expense ratio ⁽²⁾	2.82%	2.67%	2.49%	2.70%	2.73%
Management expense ratio before waivers or absorptions	2.82%	2.67%	2.72%	2.73%	2.73%
Portfolio turnover rate ⁽³⁾	240.39	200.53%	123.59%	110.80%	224.21%
Trading Expense ratio ⁽⁴⁾	0.34%	0.13%	0.13%	0.21%	0.22%

Ratios and Supplemental Data (unaudited) - Series F

	2018	2017	2016	2015	2014
Net asset value (000's) ⁽¹⁾	2,908	2,891	2,328	562	123
Number of units outstanding ⁽¹⁾	246,916	252,869	210,663	54,799	12,611
Management expense ratio ⁽²⁾	1.68%	1.54%	1.07%	1.59%	1.76%
Management expense ratio before waivers or absorptions	1.68%	1.54%	1.27%	1.64%	1.76%
Portfolio turnover rate ⁽³⁾	240.39%	200.53%	123.59%	110.80%	224.21%
Trading Expense ratio ⁽⁴⁾	0.34%	0.13%	0.13%	0.21%	0.22%

Ratios and Supplemental Data (unaudited) - Series M

	2018	2017	2016
Net asset value (000's) ⁽¹⁾	98	91	107
Number of units outstanding ⁽¹⁾	8,726	8,369	10,311
Management expense ratio ⁽²⁾	1.40%	1.42%	1.42%
Management expense ratio before waivers or absorptions	1.40%	1.42%	1.48%
Portfolio turnover rate ⁽³⁾	240.39%	200.53%	123.59%
Trading Expense ratio ⁽⁴⁾	0.34%	0.13%	0.13%

⁽¹⁾ This information is provided as at June 30, 2018 and December 31 of 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 assets during the period.

⁽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 assets during the period.



Management Fees

As compensation for managing the Fund, the Manager can receive an annual fee up to 2% of the average net asset value 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	36%
Management and Portfolio Adviser Services	64%
Waivers and Absorption of Fund Expenses	0%

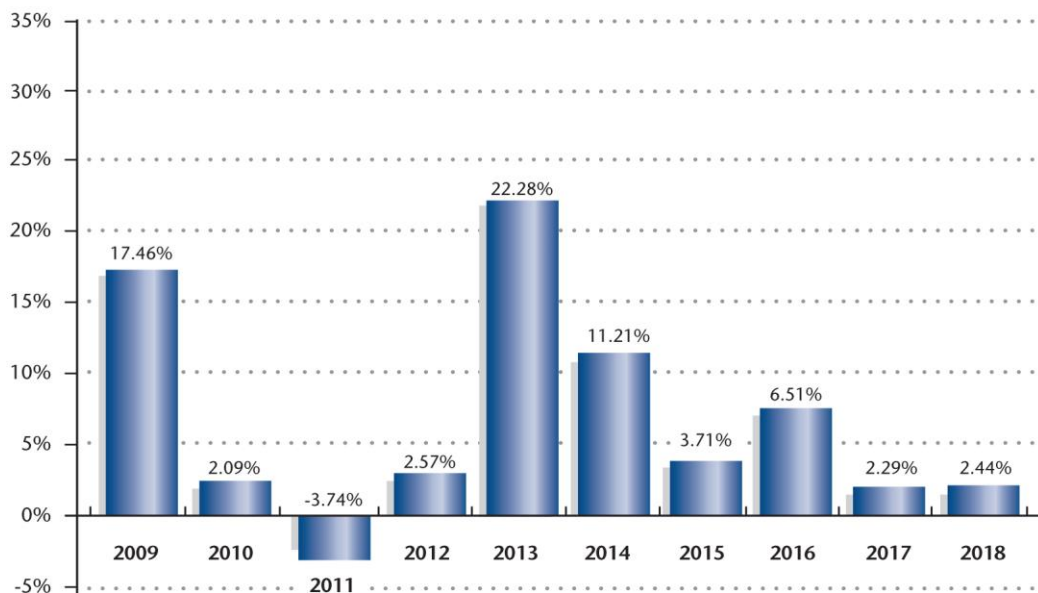
Past Performance

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.

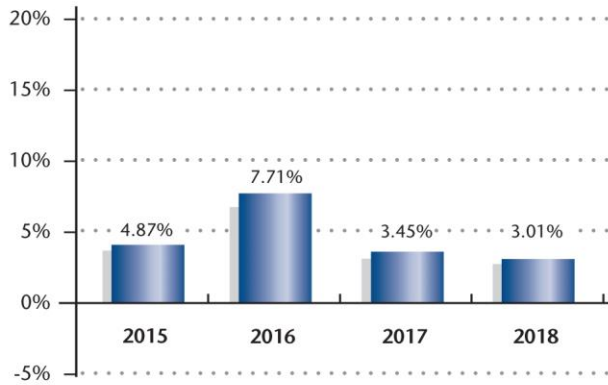
Year-by-Year Returns

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 that year.

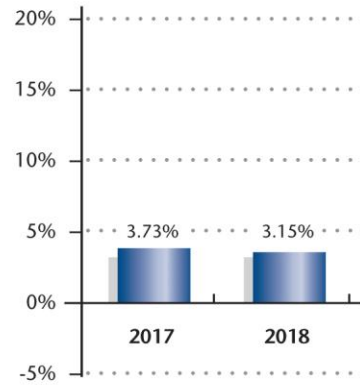
For the years ended December 31 and the semi-annual period ending June 30



Caldwell Balanced Fund - Series A



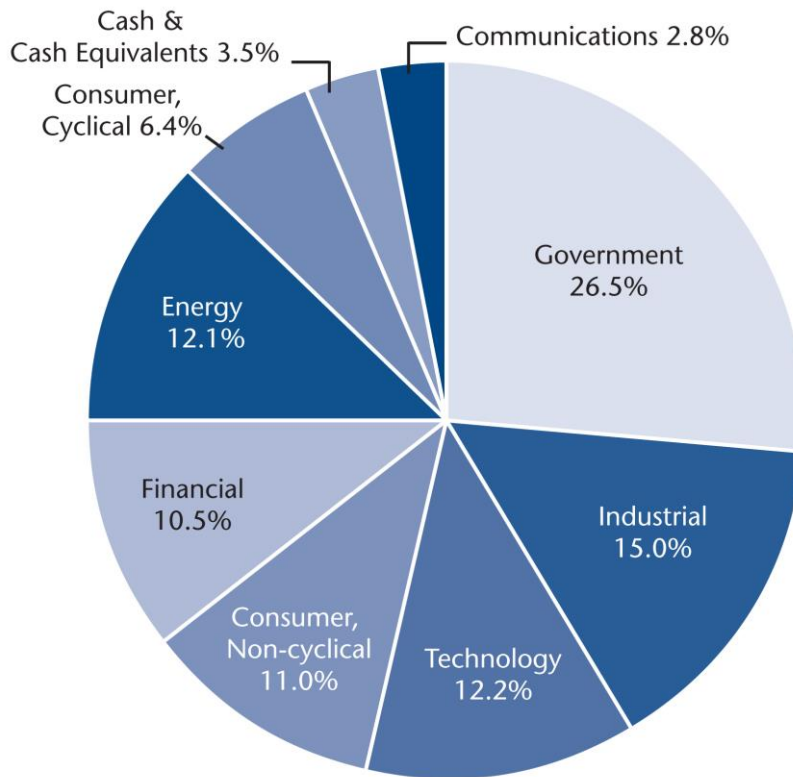
Caldwell Balanced Fund - Series F



Caldwell Balanced Fund - Series M

Summary of Investment Portfolio

Portfolio Breakdown as at June 30, 2018



Caldwell Balanced Fund



Top 25 Holdings	
As at June 30, 2018	
SECURITY	Percentage of Net Assets
Canadian Treasury Bill 0% 15NOV2018	12.14%
Canadian Treasury Bill 0% 12JUL2018	8.14%
Canadian Government Bond 2% 01JUN2028	6.42%
Cash & Cash Equivalents	3.57%
Parkland Fuel Corp.	3.15%
CGI Group Inc.	3.05%
Tricon Capital Group Inc.	2.96%
KKR & Co LP	2.91%
SunOpta Inc.	2.83%
Cognizant Technology Solutions Corp.	2.79%
TFI International Inc.	2.78%
Cisco Systems Inc.	2.78%
Celestica Inc.	2.78%
Amdocs Ltd	2.76%
Citigroup Inc.	2.69%
TE Connectivity Ltd	2.62%
Tyson Foods Inc.	2.58%
Keysight Technologies Inc.	2.57%
Broadridge Financial Solutions Inc.	2.56%
Trinidad Drilling Ltd	2.51%
STERIS PLC	2.50%
ShawCor Ltd	2.45%
LCI Industries	2.41%
Berry Global Group Inc.	2.36%
Enerflex Ltd	2.13%
Top 25 Holdings	90.75%

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