Caldwell Investment Management Ltd.

Independent Investment Managers

Semi-Annual Management Report of Fund Performance

For the Six Months Ended June 30, 2016

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 interim management report of fund performance contains financial highlights, but does not contain the complete interim or annual financial statements of the investment fund. You may obtain a copy of the interim or 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.

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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 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

Our monthly newsletters and fact sheets keeps investors informed about how the portfolio is positioned.

Results of Operations

Performance Highlights:

The Caldwell US Dividend Advantage Fund ("The Fund") returned 1.5% in simple terms and 4.7% on a total return basis for the first half of 2016. The first half of 2016 was positive as volatility decreased in markets throughout the world. Large advances in U.S. equities, the price of oil and the Canadian Dollar in U.S. Dollar terms took place over this period.

Recent Developments – Sub Advisory Comments

The second quarter of 2016 has brought the S&P 500 back to all time highs. Investor sentiment has now changed since the probability of The Federal Reserve ("the Fed") raising interest rates has diminished until the fourth quarter of 2016. The Fed's interest rate normalization policy has been put on hold since their initial December 2015 interest rate hike, which caused markets to

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tailspin and threatens global growth. Now the Fed, along with maintaining price stability and full employment, considers global financial conditions and relative value of the U.S. Dollar ("USD") to be part of its mandate. This has helped weaken the USD and temper concerns of a profit recession in S&P 500 firms, as foreign exchange translation destroys revenues and a strong dollar suppresses emerging market demand. Market participants who had positioned their portfolios for rate hikes find themselves considerably underweight in equities and searching for income. The result has been a large increase in the ownership of bond proxies like utilities, consumer staples and telecoms.

It is not only Fed rhetoric that has been driving equity gains. U.S. data continues to improve and portray a favourable environment for investors. For the month of May alone, Durable Goods Orders were up 3.4%, housing starts up 6.6%, retail sales up 1.3%, and new homes sales up 16.6%. The U.S. housing story cannot be emphasized enough. The U.S. housing market is still at a recessionary level for inventory and demand continues to improve. Housing starts are 35% below their normalized level, inventory is at a 30 year low, and the S&P Case-Shiller 20 City Composite Home Price Index is at a five year high. Banks and builders have been slow to bring more projects on line as the memories of 2006 and 2007 still haunt them. Double digit housing starts this year are realistic for the industry as builders are shifting to more affordable production for millennial first time buyers, who as a demographic have had their unemployment rate fall below 7%. The millenials average age is now 34 and for the first time in six years, women over 25 had their birth rate increase to 3.4%. For women over 35 years old, the birth rate increased by 5.3%. Family formation is a major driver of housing demand and this trend appears to be in the early innings. This setting is underpinned by a labour market that continues to improve. Recent Non Farm Payrolls underwhelmed investors with only 38,000 jobs being added in May but wage inflation increased to 2.5% and unemployment remains under 5%. These green shoots provide the growth for S&P 500 earnings in 2016.

After a long, volatile adjustment process in the energy markets, it appears fundamentals are taking over. The Organization of Petroleum Exporting Countries ("OPEC") attempt to drive out low cost producers, by driving down the price of crude oil, has resulted in unintended consequences for its members. Venezuela and Nigeria, who combined produce close to 4.5 million barrels of oil a day, are facing significant social disruption stemming from falling oil revenues. Both nations' governments will face significant revenue shortfalls if the price of crude does not increase dramatically. Venezuela appears to be on a terminal track to failed-state status as vital imports such as food and medicine cannot be purchased due to lack of foreign currency reserves. Nigeria has been battling rebel forces and does not have the revenues to pay the military to protect their oil pipelines. From the other side of the equation, global demand is strong. We wrote last month of the steady increase in vehicle miles travelled in the U.S. National gasoline consumption is now at levels usually seen in summer months, the strongest period for demand in year. With gasoline prices approximately 14% lower than this time last year, analysts expect to see strong demand through driving season. Globally, Chinese and Indian demand is far stronger than expected from

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the falling oil price. For the first quarter of 2016, Chinese imports were up over 13% over 2015 levels. Chinese refiners imported over eight million barrels a day, surpassing the U.S. as the world's top importer. Indian demand rose to a record high, importing over 4.3 million barrels a day in March. The International Energy Association ("IEA") expects India to contribute 300,000 barrels per day of demand to its growth forecast. India's oil demand is demonstrating trends that were visible in China a decade ago during China's industrialization period. India appears to be on the verge of replacing China as the main driver of global oil demand growth. OPEC's decision to drive down the price of oil to regain market share might backfire on them. Low oil is disrupting OPEC members politically and hurting production. This decreases OPEC's market share and weakens their control of the oil marketplace. Further, the low oil price is transforming demand and consumption habits in Asian markets. The longer this low price persists, the more infrastructures will be put in place (i.e. an increase in cars, motorcycles and highways as motorists become less elastic to the price of oil).

The markets were rocked in the second quarter by the historic decision (also known as "Brexit") of British citizens to leave the Eurozone. Markets responded harshly because expectations were high that the "Remain" vote would come away victorious. The shock of the "Leave" camp winning sent global markets into a tailspin. The effects of this decision are unknown and the uncertainty surrounding it caused investors to flee risk assets and seek safe-harbour. Stock markets, currencies, bonds, and precious metals all spiked in volatility. As the dust settled, it became clear that this was not a final decision but the beginning of what could become a very long process. Lawmakers in Britain and the European Union still need to come to terms with how the succession will transpire. The EU will likely put up a hard fight with Britain so as to make an example to other EU nations which are also considering leaving. Britain is a major market for European goods, especially German automobiles, and these relationships, however distasteful they may be to the EU congress in Brussels, will want to be maintained. The brunt of the pain of the "Brexit" has been experienced by the British citizenry. The GBP/USD currency cross, commonly referred to as "Cable", suffered a 10 percent decline overnight and fell to its lowest level in over 35 years. British firms will face many economic hardships as industries find it difficult to raise capital until new trade regulations are established with the European Union. Four separate British real estate funds cancelled further redemptions as investors tried to exit all at once. After the initial shock of the vote, North American markets rallied on the common belief that central bankers will remain accommodative for longer and the influence of Great Britain on North American GDP is minimal. Long duration assets, such as the 30-year Bond fell to an all time low yield of 2.2% and bond-proxy stock sectors (Consumer Staples, Utilities, Telecoms) lead the stock market back to levels prior to the vote.

Global central banks appear to be driving this move into equities. 10-year bond yields across the G3 (U.S., Eurozone, and Japan) now average less than 0.4% with Germany and Japan having negative rates of -0.12% and -0.28% respectively. Europe and Japan are now competing in the carry trade. Now multiple countries are paying investors to borrow in their currency. Despite its modest yield, the U.S. Treasury Curve appears stellar compared to its competition. The U.S. has the best economy in the developed world and a workforce near full employment. These factors have increased the demand for long duration U.S. Treasuries. One Treasury Bond auction at the

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end of June had a record 70% of the volume going to non-U.S. investors. The knock-on effect of this declining rate environment is that it discounts the cost of credit to the American labour force. Private Residential Fixed Investment, as compiled by the Federal Reserve Economic Data (FRED) continues to make new highs after bottoming in 2009. This has a positive feedback loop into the overall economy as the construction industry is dominated by working age men, especially working age men, age 25-34 with only a high school education level. This category of the work force is finally getting back to a pre-2008 unemployment level and wages to this group are beginning to finally rise. The president of Lennar, a major U.S. home builder, told analysts last quarter that "we are seeing some labour price increases in the field and that's flowing through our products". Perhaps higher wages will coax more people back into the labour force, something that will positively impact U.S. growth.

Canada's path to recovery strengthened as commodity prices stabilized. The Canadian housing market continues to garner significant attention with home sales on track for a record year and prices rising at a double-digit pace on a national basis with Vancouver and Toronto markets extremely hot. The Bank of Canada ("BOC") noted an increased vulnerability to the financial system given the heightened housing market activity and commensurate rise in household debt. The BOC along with the office of the Finance Minister will look into the policies, if any, which should be implemented to reduce the risks associated with the elevated levels of debt in Canadian households. While inflation remains below 2%, the large decline in the Canadian dollar over the past year will lead to higher import prices being passed onto the consumer. If inflation does continue to uptick, raising rates (or at least talking about raising rates) could be how the BOC protects against Canadian financial vulnerability.

In Closing:

Markets have recently moved to new highs as they anticipate accommodative central banks around the world and an improving U.S. Economy . A declining U.S. unemployment rate, rising wage growth, and strong U.S Dollar provide the backdrop for a continued U.S expansion. The Fund will continue to search and invest in U.S dividend paying companies that benefit from an expanding U.S. economy, possess low volatility, and have strong fundamentals. U.S. Economic data continues to improve and U.S. consumer demand, which accounts for two thirds of U.S. GDP, is expanding. This should increase consumer confidence and along with accelerating wage growth and low oil prices will translate into increased consumer spending. This strategy is well suited in the current investment climate. Increased volatility provide opportunities for active management. Good companies, exposed to the economic factors described above, can decline in price in broad market sell offs, and create advantageous purchase prices. The Fund will continue to invest in U.S. dividend paying stocks that benefit from an expanding U.S economy and an improving U.S. consumer.

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

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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 Robert Guilday, Sharon Kent 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

Caldwell Investment Management Ltd. is the manager of the Fund and will perform or arrange for the performance of management and administrative services for the Fund and will also be responsible for implementing the investment strategy of the Fund pursuant to a management agreement (the "Management Agreement") between the Fund and the Manager. CIM is a wholly-owned subsidiary of Caldwell Financial Ltd. and is a member of the Caldwell group of companies ("**Caldwell**"). The Manager will act as the investment fund manager and the portfolio manager of the Fund pursuant to the Management Agreement. The Manager will be entitled to receive fees as compensation for the management and investment management services rendered to the Fund. The principal office of the Manager is located at Suite 1702, P.O. Box 47, 150 King Street West, Toronto, Ontario, M5H 1J9.

Trustee

CST Trust Company is the trustee of the Fund.

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Brokerage

The Manager has brokerage arrangements for purposes of trading in the equity markets. The Manager may utilize brokers with whom soft commission arrangements are in place. Any such arrangements will provide for Best Execution (as defined below) and any goods or services received will be of a type which assist in the provision of investment services to the Fund. Neither the Manager nor any of its connected persons will retain any cash commission rebates from such arrangements.

"Best Execution" means the best price and results for the Fund, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order.

The Manager may choose to execute a portion or all of the Fund’s portfolio transactions with Caldwell Securities Ltd. on terms as favourable or more favourable to the Fund as those available through other broker or dealers. So far in 2016 the Fund has paid $415,329 in commissions to Caldwell Securities Ltd.

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.

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The Fund's Net Asset Value (NAV), per Unit as at December 31, unless otherwise noted. (unaudited)

	2016	2015
Net Assets, beginning of year [3]	9.54	10.00
Increase (decrease) from operations:		
Total Revenue	0.41	0.36
Total Expenses	(0.17)	(0.19)
Realized gains (losses) for the period	0.40	(0.42)
Unrealized gains (losses) for the period	(0.19)	0.08
Total increase (decrease) from operations [1]	0.45	(0.17)
Distributions:		
From Income (excluding dividends)	0.00	0.00
From Dividends	(0.09)	(0.09)
From Capital Gains	0.00	0.00
Return of Capital	(0.20)	(0.20)
Total Annual Distributions [2]	(0.29)	(0.29)
Net Assets at December 31 of year shown	9.70	9.54

(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.
*The Fund commenced on June 22nd, 2015.

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Ratios and Supplemental Data (unaudited)

	2016	2015
Net asset value (000's) (1)	47,805	55,700
Number of units outstanding (1)	4,929,600	5,055,000
Management expense ratio (2)	2.62%	2.56%
Management expense ratio before waivers or absorptions	2.62%	2.56%
Portfolio turnover rate (3)	57.05%	79.62%
Trading Expense ratio (4)	0.22%	1.35%

(1) This information is provided as at December 31, 2015 and June 30, 2016.
(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 co
(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") equal to 1.75% per annum of the NAV of the Fund, accrued and calculated daily and payable monthly in arrears, plus applicable taxes.

Distribution	0%
Management and Portfolio Adviser Services	100%
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.

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Caldwell US Dividend Advantage Fund

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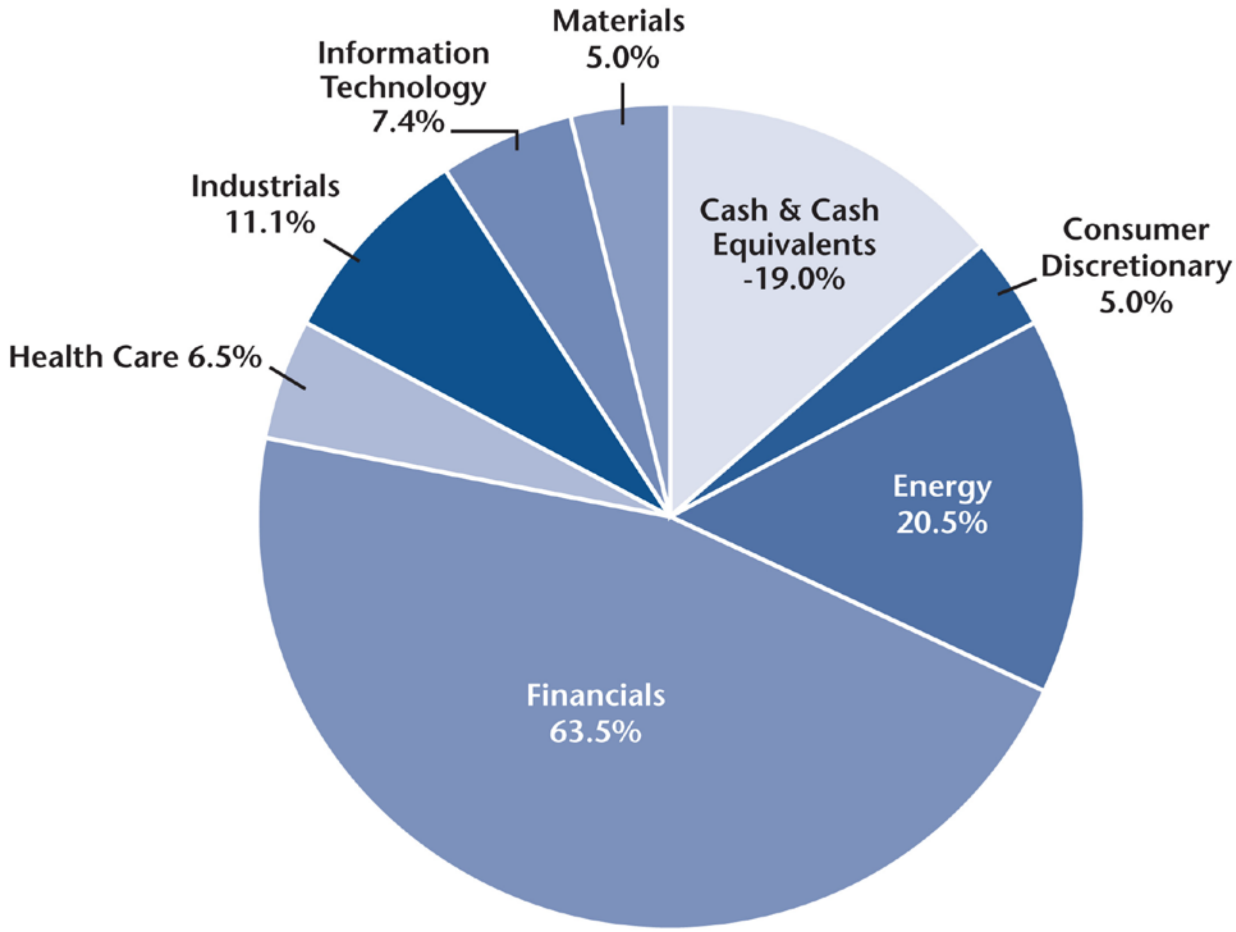
Summary of Investment Portfolio



CALDWELL U.S. DIVIDEND ADVANTAGE FUND

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Top 25 Holdings (unaudited)
As at December 31, 2015

SECURITY	Percentage of Net Assets
Apollo Commercial Real Estate Finance Inc.	3.91%
Blackstone Mortgage Trust Inc.	3.74%
Ares Capital Corp.	3.65%
Macquarie Infrastructure Corp.	3.60%
TPG Specialty Lending Inc.	3.59%
BlackRock Capital Investment Corp.	3.57%
Harris Corp.	3.38%
Goldman Sachs BDC Inc.	3.29%
Golub Capital BDC Inc.	3.17%
Canadian Apartment Properties REIT	3.16%
Weyerhaeuser Co.	3.14%
Gladstone Capital Corp.	3.13%
Kinder Morgan Inc.	3.09%
Air Products & Chemicals Inc.	2.99%
Timbercreek Mortgage Investment Corp.	2.96%
Dream Global Real Estate Investment Trust	2.94%
Main Street Capital Corp.	2.93%
AltaGas Ltd	2.92%
Alcentra Capital Corp.	2.91%
FS Investment Corp.	2.84%
Royal Dutch Shell PLC	2.72%
Starwood Property Trust Inc.	2.63%
TransCanada Corp.	2.57%
Schlumberger Ltd	2.56%
TCP Capital Corp.	2.48%
Top 25 Holdings	77.88%

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