

**Clearpoint Global Dividend
Fund
Financial Statements**

December 31, 2017 and 2016

Clearpoint Global Dividend Fund

December 31, 2017 and 2016

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Independent Auditor's Report

To the Unitholders of
Clearpoint Global Dividend Fund

We have audited the accompanying financial statements of Clearpoint Global Dividend Fund, which comprise the statements of financial position as at December 31, 2017 and December 31, 2016, and the statements of comprehensive income, statements of changes in net assets attributable to holders of redeemable units and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Clearpoint Global Dividend Fund as at December 31, 2017 and December 31, 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Chartered Professional Accountants
Licensed Public Accountants
March 29, 2018

Clearpoint Global Dividend Fund

Statements of Financial Position As at December 31

	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Investment designated at fair value through profit or loss (Note 9)	\$ 11,214,027	\$ 14,339,703
Cash	102,396	340,951
Foreign currencies	864,810	730,918
Dividends receivable	15,691	23,846
	<u>12,196,924</u>	<u>15,435,418</u>
LIABILITIES		
Current liabilities		
Accrued expenses	19,986	109,161
Redemption payable	8,266	—
	<u>28,252</u>	<u>109,161</u>
Net Assets Attributable to Holders of Redeemable Units	<u>\$ 12,168,672</u>	<u>\$ 15,326,257</u>
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	\$ 4,836,622	\$ 6,972,306
Series F	7,332,050	8,353,951
	<u>\$ 12,168,672</u>	<u>\$ 15,326,257</u>
Number of Redeemable Units Outstanding (Note 5)		
Series A	677,764	947,331
Series F	866,509	975,216
Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ 7.14	\$ 7.36
Series F	8.46	8.57

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


Brendan T.N. Caldwell, President

The accompanying notes are an integral part of these financial statements.

Clearpoint Global Dividend Fund

Statements of Comprehensive Income For the years ended December 31

	2017	2016
Income		
Dividends	\$ 418,223	\$ 513,859
Change in unrealized (depreciation) appreciation on investments and foreign currency	(1,034,083)	187,566
Realized gain on sale of investments	1,280,345	1,344,533
	<u>664,485</u>	<u>2,045,958</u>
Expenses		
Management fee (Note 6)	219,642	248,324
Audit fee	26,099	39,213
Accounting fee	20,251	38,393
Transaction costs (Note 10)	20,136	41,855
Securityholder reporting costs	12,236	12,222
Independent review committee fee	9,408	7,825
Administrative fee	6,199	27,195
Legal fee	6,046	18,204
Interest and borrowing fees	2,623	2,651
Filing fee	-	16,022
Custodial fee	-	7,064
	<u>322,640</u>	<u>458,968</u>
Less: Withholding taxes	<u>57,789</u>	<u>66,323</u>
Net expense	380,429	525,291
Increase in Net Assets Attributable to Holders of Redeemable Units	<u>\$ 284,056</u>	<u>\$ 1,520,667</u>
Increase in Net Assets Attributable to Holders of Redeemable Units per Series (Note 11)		
Series A	\$ 75,853	\$ 671,807
Series F	<u>208,203</u>	<u>848,860</u>
	<u>\$ 284,056</u>	<u>\$ 1,520,667</u>
Increase in Net Assets Attributable to Holders of Redeemable Units per Unit		
Series A	\$ 0.09	\$ 0.65
Series F	0.24	0.85

Clearpoint Global Dividend Fund

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the years ended December 31

	Net assets attributable to holders of redeemable units, beginning of year	Increase in net assets attributable to holders of redeemable units	Proceeds from redeemable units issued	Distribution to unitholders	Reinvestments of distributions	Redemption of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2017							
Series A	\$ 6,972,306	\$ 75,853	\$ 78,874	\$ (304,597)	\$ 242,852	\$ (2,228,666)	\$ 4,836,622
Series F	8,353,951	208,203	824,193	(314,232)	150,325	(1,890,390)	7,332,050
	\$ 15,326,257	\$ 284,056	\$ 903,067	\$ (618,829)	\$ 393,177	\$ (4,119,056)	\$ 12,168,672

	Net assets attributable to holders of redeemable units, beginning of year	Increase in net assets attributable to holders of redeemable units	Proceeds from redeemable units issued	Distribution to unitholders	Reinvestments of distributions	Redemption of redeemable units	Net assets attributable to holders of redeemable units, end of year
December 31, 2016							
Series A	\$ 7,645,336	\$ 671,807	\$ 464,728	\$ (371,700)	\$ 270,195	\$ (1,708,060)	\$ 6,972,306
Series F	8,476,594	848,860	1,161,018	(357,495)	171,016	(1,946,042)	8,353,951
	\$ 16,121,930	\$ 1,520,667	\$ 1,625,746	\$ (729,195)	\$ 441,211	\$ (3,654,102)	\$ 15,326,257

Clearpoint Global Dividend Fund

Statements of Cash Flows For the years ended December 31

	2017	2016
Cash provided by (used in):		
Operating Activities		
Increase in Net Assets Attributable to Holders of Redeemable Units	\$ 284,056	\$ 1,520,667
Adjustments for non-cash items		
Transaction costs	20,136	41,855
Realized gain on investments	(1,280,345)	(1,344,533)
Change in unrealized depreciation (appreciation) on investments and foreign currency	1,034,083	(187,566)
Change in non-cash balances		
Decrease (increase) in dividends receivable	8,155	(944)
Decrease in distribution payable	-	(33)
Decrease in accrued expenses	(89,175)	(4,294)
Increase in redemption payable	8,266	-
Proceeds from sale of investments	3,709,963	5,319,293
Purchase of investments	(295,926)	(3,036,801)
Cash provided by operating activities	<u>3,399,213</u>	<u>2,307,644</u>
Financing Activities		
Proceeds from issuances of redeemable units	346,322	1,625,746
Amounts paid on redemption of redeemable units	(3,562,311)	(3,654,102)
Distribution paid	(225,652)	(287,984)
Cash used in financing activities	<u>(3,441,641)</u>	<u>(2,316,340)</u>
Decrease in cash during the year	(42,428)	(8,696)
Foreign exchange loss on cash	(62,235)	(51,700)
Cash (including foreign currency), beginning of year	1,071,869	1,132,265
Cash (including foreign currency), end of year	<u>\$ 967,206</u>	<u>\$ 1,071,869</u>
Supplemental information*		
Interest paid	\$ 48	\$ 41
Dividends received, net of withholding taxes	368,589	451,181

*Included as a part of cash flows from operating activities

Clearpoint Global Dividend Fund

Schedule of Investment Portfolio

As at December 31, 2017

Number of shares/units	Investments owned	Average cost	Fair value	% of net asset value
	U.S. equities			
3,497	Altria Group Inc.	\$ 104,124	\$ 312,650	2.57
3,150	American Electric Power Co Inc.	146,733	290,145	2.38
9,910	AT&T Inc.	316,629	482,397	3.96
516	Brighthouse Financial Inc.	40,931	37,883	0.31
1,759	Chevron Corp.	178,624	275,702	2.27
9,700	Cisco Systems Inc.	359,657	465,131	3.82
2,616	ConocoPhillips	164,173	179,777	1.48
5,721	Emerson Electric Co.	335,968	499,168	4.10
4,971	Exelon Corp.	168,034	245,276	2.02
2,699	Exxon Mobil Corp.	221,465	282,632	2.32
6,042	General Motors Co.	253,789	310,072	2.55
2,628	Genuine Parts Co.	326,514	312,607	2.57
9,442	Intel Corp.	269,232	545,675	4.48
4,058	JPMorgan Chase & Co.	164,510	543,321	4.46
1,975	L3 Technologies Inc.	161,932	489,224	4.02
4,415	Merck & Co Inc.	191,063	311,037	2.56
5,685	MetLife Inc.	298,570	359,867	2.96
5,251	Microsoft Corp.	171,480	562,361	4.62
5,631	Nucor Corp.	345,818	448,240	3.68
1,613	Occidental Petroleum Corp.	131,753	148,755	1.22
1,664	PepsiCo Inc.	227,681	249,833	2.05
2,261	Philip Morris International Inc.	181,884	299,071	2.46
4,316	Pinnacle Foods Inc.	140,789	321,354	2.64
4,141	Public Service Enterprise Group Inc.	146,051	267,003	2.19
8,632	Senior Housing Properties Trust	222,932	206,959	1.70
4,630	Sysco Corp.	156,078	352,037	2.89
2,646	The Kraft Heinz Co.	95,618	257,603	2.12
3,125	The PNC Financial Services Group Inc.	211,757	564,535	4.64
4,335	The Southern Co.	198,289	261,005	2.14
6,825	Unilever PLC	261,241	472,875	3.89
6,665	Verizon Communications Inc.	269,988	441,679	3.63
5,505	Wells Fargo & Co.	248,901	418,153	3.44
		<u>6,712,208</u>	<u>11,214,027</u>	<u>92.14</u>
	Total investments owned	6,712,208	11,214,027	92.14
	Commissions and other portfolio transaction costs	<u>(33,419)</u>	<u>—</u>	<u>—</u>
	Net investments owned	<u>\$ 6,678,789</u>	11,214,027	92.14
	Other assets, net		<u>954,645</u>	<u>7.86</u>
	Net Assets Attributable to Holders of Redeemable Units		<u>\$ 12,168,672</u>	<u>100.00</u>

The accompanying notes are an integral part of these financial statements.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

1. The Fund

Clearpoint Global Dividend Fund (the "Fund") is an open-ended mutual fund trust formed under the laws of the Province of Ontario by Declarations of Trust, executed by the Trustee of the Fund August 27, 1998, as amended and restated April 20, 2006 and January 31, 2008, December 10, 2008 and November 5, 2010.

On July 30, 2013, the Fund's Declaration of Trust was again amended to give effect to (a) the change of trustee of the Fund from Redwood Asset Management Inc. to Caldwell Investment Management Ltd. and (b) the change of the name of the Fund from Redwood Global High Dividend Fund to Clearpoint Global Dividend Fund.

Caldwell Investment Management Ltd. (the "Manager") is the manager and the Trustee of the Fund. The Manager is incorporated under the laws of Ontario. The address of the Fund's registered office is 150 King Street West, Suite 1702, P.O. Box 47, Toronto, ON M5H 1J9.

The Fund's investment objective is to obtain long-term capital growth. The Fund invests principally in equity securities of companies around the world.

2. Basis of presentation

These annual financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS")

The accounting policies applied in these annual financial statements are based on IFRS issued and outstanding as of March 29, 2018, which is the date on which the financial statements were authorized for issue by the Trustee.

3. Significant accounting policies

a) *New standards, Amendments and Interpretation Issued but Not Yet Effective*

IFRS 9 Financial Instruments ("IFRS 9")

IFRS 9 issued in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. It is effective for annual periods beginning on or after January 1, 2018. The fund plans to adopt the new standard the date it becomes effective.

Classification and measurement of financial assets and financial liabilities

Under IFRS 9, classification and measurement of financial assets will be driven by the Fund's business model for managing them and their contractual cash flows. Classification and measurement categories under IFRS 9 are amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

IFRS 9 largely retains the existing requirements for classification and measurement of financial liabilities. However, unlike IAS 39 where all fair value changes of liabilities designated at fair value through profit or loss are recognized in profit or loss, under IFRS 9, fair value changes related to changes in the issuer's own credit risk will be presented in other comprehensive income.

Based on the Fund's initial assessment, IFRS 9 is not expected to have a material impact on classification and measurement of financial instruments, since the Fund makes decisions based on the assets' fair values and manages the assets to realize those fair values. As such the majority of the Fund's financial assets will continue to be measured at FVTPL. In addition, derivatives will continue to be measured at FVTPL.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

3. Significant accounting policies (continued)

Impairment of financial assets

IFRS 9 also introduces the expected credit loss ("ECL") model for impairment of financial assets measured at amortized cost and debt instruments measured at FVOCI. The ECL impairment model will not have a material impact to the Fund's financial assets given that the majority of the Fund's financial assets will continue to be measured at FVTPL.

Hedge accounting

The Fund does not apply hedge accounting, therefore, IFRS 9 hedge accounting related changes do not have an impact on the Fund's financial statements.

Based on the Fund's initial assessment, IFRS 9 is not expected to have a material impact to the Fund's financial statements.

b) Valuation of investments

The fair value of financial assets and financial liabilities traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices. In accordance with the provisions of the Fund's offering documents, investment positions are valued based on the last traded market price for the purpose of determining the net asset per unit for subscriptions and redemptions. For financial reporting purposes, 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. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

The fair value of financial assets and financial liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each Statement of Financial Position date. Valuation techniques used include the use of comparable recent arm's-length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

c) Classification

The Fund classifies its investments in debt and equity securities and derivatives as financial assets and financial liabilities at fair value through profit or loss ("FVTPL").

This category has two sub-categories: financial assets or financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

(i) Financial assets and financial liabilities held for trading

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are classified as held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

(ii) Financial assets and financial liabilities designated at fair value through profit or loss at inception

Financial assets and financial liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund classifies all other investments as designated at fair value through profit or loss.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

3. Significant accounting policies (continued)

The Fund recognizes financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular purchases and sales of financial assets are recognized at their trade date. The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount. All other financial assets and financial liabilities are measured at amortized cost. Under this method, financial assets and financial liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contract's effective interest rate. The Fund's accounting policies for measuring its net asset value ("NAV") for transactions with unitholders is the same as the accounting policies used to measure the fair value of its investments and derivatives.

Other assets and liabilities – including: dividends and interest receivable, subscriptions receivable, distribution receivable and due from management company are classified as loans and receivables and recorded at cost or amortized cost. Similarly, accrued expenses, redemptions payable and distributions payable are classified as financial liabilities and reported at amortized cost. Financial liabilities are generally settled within three months of issuance. Other assets and liabilities are short-term in nature, and are carried at amortized cost which approximates fair value.

d) *Recognition/derecognition*

The Fund recognizes financial assets and liabilities at fair value through profit and loss when the Fund becomes party to the contractual provisions of the instrument. Recognition takes place on the trade date – the date it commits to purchase or sell short the instruments. From this date any gains and losses arising from changes in fair value of the assets or liabilities are recognized in the Statements of Comprehensive Income.

Other financial assets are derecognized only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

e) *Offsetting Financial Instruments*

Financial assets and financial 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. In the normal course of business the Fund enters into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

3. Significant accounting policies (continued)

f) *Transaction costs*

Transaction costs are expenses and are included in "transaction costs" in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commission paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. The cost of investments for each security is determined on an average cost basis.

g) *Unit valuation and valuation date*

Units are issued and redeemed on a continuing basis at the Transactional NAV per unit which is determined for each series of units of the Fund on each day that the Toronto Stock Exchange is open for business. The value of each unit of a series of units of the Fund is determined by dividing the aggregate net assets value of that series of units of the Fund, calculated in accordance with the Fund's offering documents, by the total number of units of that series of units of the Fund outstanding at the close of business on the valuation day.

h) *Revenue recognition*

Investment transactions are accounted for on the trade date. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains and losses from investment transactions are calculated on an average cost basis.

The interest on debt securities at fair value through profit and loss is accrued on a time-proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

i) *Foreign currency translation*

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. Foreign exchange gains and losses are included in the Statements of Comprehensive Income for the year. Purchases and sales of investments, investment income and expenses are calculated at the exchange rates prevailing on the dates of the transactions.

j) *Net assets attributable to holders of redeemable units per unit*

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular series of units by the total number of units of that particular series outstanding at the end of the year.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

3. Significant accounting policies (continued)

k) Increase in net assets attributable to holders of redeemable units per unit

Increase in net assets attributable to holders of redeemable units per unit is based on the increase in net assets attributable to holders of redeemable units attributed to each series of units, divided by the weighted average number of units outstanding of that series during the year. Refer to Note 11 for the calculation.

l) Cash

Cash consists of cash held at a bank or custodian. Cash is carried at cost plus accrued interest, which approximates fair value.

m) Forward currency contracts

Forward currency contracts entered into by the Fund are intended for foreign currency hedging and normal course settlement purposes only. The value of these forward contracts is the gain or loss that would be realized if, on a Valuation Day, the position were to be closed out and is recorded as an unrealized gain or loss. Upon maturity of the contracts, the difference between the cost and the market value of the currency is reported in "Realized gain on investments," as reported on the Statement of Comprehensive Income.

4. Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires management to use accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements:

Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about whether or not the business of the Fund is to invest on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39. The most significant judgments made include the determination that certain investments are held-for-trading and that the fair value option can be applied to those which are not.

Functional and presentation currency

The Fund considers its functional and presentation currency to be the Canadian dollar. The Fund's performance is evaluated and its liquidity is managed in Canadian dollars.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

5. Redeemable units of the fund

Redeemable units of the Fund are issued or redeemed on a daily basis at the net asset value per unit.

The following is a summary of the changes in outstanding units of the Fund during the year:

	Redeemable Units, beginning of year	Redeemable Units Issued	Redeemable units redeemed	Reinvestments of units	Redeemable Units, end of year
December 31, 2017					
Series A	947,331	10,991	(314,399)	33,841	677,764
Series F	975,216	98,484	(225,027)	17,836	866,509
December 31, 2016					
Series A	1,087,048	64,269	(242,835)	38,849	947,331
Series F	1,054,500	140,922	(241,526)	21,320	975,216

6. Expenses

Management fees

The Manager is responsible for managing the business and affairs of the Fund pursuant to management agreements or trust indentures.

The Manager receives management fees which are calculated daily and paid on a monthly basis. The management fee is based on the weighted Transactional NAV at a prescribed rate according to the Fund's offering documents. The annual percentage rates of the Fund's management fees are as follows:

Series A	2.00%
Series F	1.00%

The management fee is calculated and accrued daily based on the weighted average net asset value per series of units and is paid on the last day of each month. During the year the Fund incurred management fees of \$219,642 (December 31, 2016: \$248,324) and \$nil (December 31, 2016: \$nil) has been absorbed by Manager. As at December 31, 2017, \$16,814 (December 31, 2016: \$20,941) of management fees are payable to the Manager.

Administrative fees and expenses

All fees and expenses applicable to the administration and operation of the Fund, including legal, audit fees, interest, expenses of financial and other reports, and expenses relating to regulatory compliance are the responsibility of the Fund. Brokerage commissions are also paid by the Fund.

The Manager has the discretion, from time to time, to waive or absorb expenses associated with the Fund. The amounts of the absorbed or waived expenses are reported in the Statements of Comprehensive Income.

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

7. Income taxes and distributions

a) Taxation of open-ended mutual fund trusts

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada). The Fund has a December 15 year-end for income tax purposes. 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 the 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.

b) Losses carried forward

Net realized capital losses of the Fund may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be carried forward to reduce taxable income for up to twenty years.

Expiring in	\$
2028	96,393
2029	4,638
2031	41,775
	<hr/>
	142,806

As at December 31, 2017, the Fund had non-capital losses of \$142,806 (December 31, 2016 - \$197,999). Gross capital losses as at December 31, 2017 is \$10,269,035 (December 31, 2016 - \$13,394,661).

8. Financial risk management

The Fund's financial instruments consist of cash and investments. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include market risk, currency risk, interest rate risk, credit risk and liquidity risk. The value of investments within the Fund's portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions, and market and company news related to specific securities within the Fund. The level of risk depends on the Fund's investment objectives and the type of securities in which it invests. These risks and related risk management practices employed by the Fund are discussed below:

a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Fund is determined by the fair value of the financial instruments. The Manager moderates this risk through a careful selection of securities within specified limits and the Fund's market price risk is managed through diversification of the Fund's investments. The Investment Manager monitors the Fund's overall market positions on a daily basis and positions are maintained within established ranges.

The Fund's market risk is affected by three main components: changes in actual market prices, changes in interest rates and foreign currency movements. If equity prices of the securities held by the Fund increased (decreased) by 5%, with all other variables held constant, the net assets attributable to holders of redeemable units per unit would be as follows:

Clearpoint Global Dividend Fund

Notes to the Financial Statements

December 31, 2017 and 2016

8. Financial risk management (continued)

a) Market risk (continued)

	December 31, 2017		December 31, 2016	
	5% increase	5% decrease	5% increase	5% decrease
	\$	\$	\$	\$
Series A	7.46	6.81	7.71	7.01
Series F	8.85	8.07	8.97	8.16

In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

b) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Fund invests in interest-bearing financial instruments. The Fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. The Fund's assets and liabilities are short-term in nature and/or non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk due to fluctuations in the prevailing level of market interest rates.

c) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of the Fund, will fluctuate due to changes in foreign exchange rates. The Schedule of Investment Portfolio identifies all investments denominated in foreign currencies. Equities in foreign markets are exposed to currency risk as the prices denominated in foreign currencies are converted to the Fund's functional currency, the Canadian dollar, in determining fair value.

The potential impact to the Fund's net assets attributable to holders of redeemable units, all other variables held constant, as a result of a 5% increase/decrease in net income in the currencies in the table below, relative to the Canadian dollar, will result in the decrease/increase to net assets attributable to holders of redeemable units \$603,942 (December 31, 2016 – \$753,531). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

The following table illustrates the Fund's exposure to foreign currencies:

	December 31, 2017	December 31, 2016
	\$	\$
United States Dollar	12,078,837	15,070,621
Total	12,078,837	15,070,621

Clearpoint Global Dividend Fund

Notes to the Financial Statements

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8. Financial risk management (continued)

d) Liquidity risk

The Fund is exposed to daily cash redemptions of redeemable units. The units of the Fund are redeemed on demand, at the option of the unitholder, at the current Transactional NAV per unit. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. Accrued liabilities are generally due within 90 days.

e) Investment concentration risk

The following table classifies the Fund's investments by economic sector concentrations as a percent of net assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017		December 31, 2016	
	Percent of	Fair	Percent of	Fair
	net assets	value	net assets	value
	%	CAD\$	%	CAD\$
Financials	17.5	2,130,718	16.0	2,450,462
Consumer Staples	14.7	1,792,548	18.8	2,880,994
Information Technology	13.0	1,573,167	8.0	1,223,421
Utilities	8.7	1,063,429	10.5	1,610,153
Industrials	8.1	988,392	10.2	1,570,057
Telecommunication Services	7.6	924,075	10.9	1,670,579
Energy	7.3	886,866	6.2	947,877
Health Care	6.4	783,912	3.1	472,530
Consumer Discretionary	5.1	622,680	5.9	910,253
Materials	3.7	448,240	3.9	603,377
Total equities	92.2	11,214,027	93.5	14,339,703
Other assets less liabilities	7.9	954,645	6.5	986,554
Total net assets value	100.0	12,168,672	100.0	15,326,257

9. Fair value hierarchy

Financial instrument disclosures

The Fund uses a three-level hierarchy that reflects the significance of the input used when assessing the fair value of financial assets and liabilities and is presented below:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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9. Fair value hierarchy (continued)

The fair value of the Fund's financial assets as of December 31, 2017 and December 31, 2016, is as follows:

	Level 1	Level 2	Level 3	Total
Assets				
Equities	\$ 11,214,027	\$ -	\$ -	\$ 11,214,027
	\$ 11,214,027	\$ -	\$ -	\$ 11,214,027
Assets				
Equities	\$ 14,339,702	\$ -	\$ -	\$ 14,339,702
	\$ 14,339,702	\$ -	\$ -	\$ 14,339,702

There were no transfers between levels during the years ended December 31, 2016 and 2017.

Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short-term financial assets and financial liabilities carried at amortized cost whose carrying amounts approximate fair value.

10. Commissions and related party transactions

The Manager and Caldwell Securities Ltd., ("CSL") a broker, are both wholly-owned subsidiaries of Caldwell Financial Ltd. The following brokerage equity commissions, included in 'transactions costs' in the Statements of Comprehensive Income were paid to CSL for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
	\$	\$
Clearpoint Global Dividend Fund	20,136	41,855

Neither the Manager nor the Funds have received any soft dollar commissions from brokers to pay for third-party research services.

The Manager of the Fund, Caldwell Investment Management Ltd., earns management fees from the Fund (see Note 6).

11. Increase in net assets attributable to holders of redeemable units per unit

The increase in net assets attributable to holders of redeemable units per unit for the years ended December 31, is calculated as follows:

	Increase in Net Assets Attributable to Holders of Redeemable Units per Series	Weighted Average of Redeemable Units Outstanding During the Year	Increase in Net Assets Attributable to Holders of Redeemable Units per Unit
December 31, 2017			
Series A	\$ 75,853	857,877	\$ 0.09
Series F	208,203	875,638	0.24
December 31, 2016			
Series A	\$ 671,807	1,040,281	\$ 0.65
Series F	848,860	997,375	0.85

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12. Net gain from financial assets at fair value through profit or loss

	2017	2016
Net realized gain on financial assets and liabilities		
Designated at fair value through profit and loss	\$ 1,342,580	\$ 1,396,233
	<u>\$ 1,342,580</u>	<u>\$ 1,396,233</u>
Net change in unrealized (loss) gain on financial assets and liabilities		
Designated at fair value through profit and loss	\$ (1,034,083)	\$ 187,566
	<u>\$ (1,034,083)</u>	<u>\$ 187,566</u>
Net gain	\$ 308,497	\$ 1,583,799

The realized gain from financial assets at fair value through profit or loss represents the difference between the carrying amount of the financial asset at the beginning of the reporting period, or the transaction price if it was purchased during the reporting period, and its sale or settlement price.

The unrealized (loss) gain represents the difference between the carrying amount of a financial asset at the beginning of the reporting period, or the transaction price if it was purchased during the reporting period, and its carrying amount at the end of the reporting period.

13. Events after Statement of Financial Position date

There have been no significant events after the Statement of Financial Position date and the date of authorization of these financial statements which requires additional disclosure in the financial statements.

14. Approval of financial statements

The financial statement were approved by the Manager and Trustee, and authorized for issue on March 29, 2018.

