

**SPECIAL MEETING OF UNITHOLDERS OF  
CALDWELL INCOME FUND**

**to be held at 11:00 a.m. on  
July 11, 2018  
at  
Caldwell Investment Management Ltd.  
150 King Street West, Suite 1702, P.O. Box 47  
Toronto, Ontario  
M5H 1J9**

## NOTICE OF SPECIAL MEETING OF UNITHOLDERS OF CALDWELL INCOME FUND

(the "Fund")

**NOTICE IS HEREBY GIVEN** that a special meeting (the "**Special Meeting**") of the unitholders of the Caldwell Income Fund will be held on July 11, 2018 at the offices of Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9 at 11:00 a.m. for the following purposes:

1. to consider and, if deemed appropriate, to pass a resolution of all Fund unitholders ("**Unitholders**") to approve all matters relating to the change in the fundamental investment objective of Caldwell Income Fund (the "**Investment Objective Change**"), as more particularly described in the accompanying Management Information Circular;
2. in respect of Series F Units of the Caldwell Income Fund, to consider and, if deemed appropriate, to pass a resolution of the Series F Unitholders of the Fund, voting separately as a series, to approve all matters relating to the reclassification of all Series F Units of the Fund into Series I Units of the Fund (the "**Series F Reclassification**"), as more particularly described in the accompanying Management Information Circular;
3. in respect of Series M Units of the Caldwell Income Fund, to consider and, if deemed appropriate, to pass a resolution of the Series M Unitholders of the Fund, voting separately as a series, to approve all matters relating to the reclassification of all Series M Units of the Fund into Series I Units of the Fund (the "**Series M Reclassification**") and together with the Series F Reclassification, the "**Reclassifications**"), as more particularly described in the accompanying Management Information Circular; and
4. to transact such other business as may properly come before the Special Meeting or any adjournment thereof.

(the Investment Objective Change and the Reclassifications are collectively referred to as the "**Proposed Changes**").

May 29, 2018 is the record date for the determination of Fund unitholders entitled to receive notice of the Special Meeting and to vote thereat.

The Proposed Changes are not "conflict of interest matters" as defined in National Instrument 81-107 – *Independent Review Committee for Investment Funds* so the Independent Review Committee of the Fund has not reviewed them from a "conflict of interest" perspective.

The text of the proposed resolutions to be passed by the Unitholders of the Fund and by the Series F and Series M Unitholders of the Fund each voting separately as a series, is set out in schedules to the accompanying Management Information Circular as follows: Schedule "A" for all Fund Unitholders, Schedule "B" for Series F Unitholders and Schedule "C" for Series M Unitholders.

DATED at Toronto, Ontario this 15<sup>th</sup> day of June, 2018.

BY ORDER OF THE BOARD OF DIRECTORS OF CALDWELL  
INVESTMENT MANAGEMENT LTD., THE MANAGER AND  
TRUSTEE OF EACH FUND

*"Brendan T. N. Caldwell"*

Brendan T. N. Caldwell  
President and Chief Executive Officer  
Caldwell Investment Management Ltd.

**IMPORTANT:** If it is not your intention to be present in person at the Special Meeting of the Fund, please sign, date and return the enclosed form of proxy in the envelope provided for that purpose. In order to be voted at a Special Meeting, proxies must be received at Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Special Meeting or any adjournment thereof or deposited with the chairman of the Special Meeting prior to the commencement thereof. Alternatively, you may fax your proxy to 416-862-2498 by such time, in which event you should ensure that all pages of your proxy are returned.

**Please note: Unitholders can obtain the Fund's financial statements for the period ended December 31, 2017 at no cost by contacting Caldwell Investment Management Ltd. toll-free at 1-800-256-2441 or by e-mail at [info@caldwellinvestment.com](mailto:info@caldwellinvestment.com) or by downloading the financial statements from the internet at [www.sedar.com](http://www.sedar.com) or [www.caldwellsecurities.com](http://www.caldwellsecurities.com).**

## MANAGEMENT INFORMATION CIRCULAR

### SOLICITATION OF PROXIES

This Management Information Circular is furnished to unitholders of the Caldwell Income Fund (the “Fund”), in connection with the solicitation of proxies by Caldwell Investment Management Ltd. (“Caldwell”), in its capacity as the manager of the Fund, to be used at the special meeting (the “Special Meeting”) of the unitholders of the Fund (“Unitholders”) to be held on July 11, 2018 commencing at 11:00 a.m. for the reasons set out in the accompanying notice calling the Special Meeting.

The Special Meeting and all adjournments thereof will be held at Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9. Caldwell will bear the costs of soliciting proxies for the Special Meeting. Proxies may be solicited by mail and the directors, officers and employees of Caldwell may solicit proxies personally, by telephone or by facsimile transmission. Caldwell will reimburse nominee holders, brokerage firms and other intermediaries for the reasonable expenses incurred contacting beneficial owners of units and requesting them to execute proxies.

Except as otherwise stated, the information contained in this Management Information Circular is given as of June 15, 2018.

### PROPOSED CHANGE TO FUNDAMENTAL INVESTMENT OBJECTIVE

The current fundamental investment objective of Caldwell Income Fund is “to provide superior investment returns through income and growth securities while preserving capital and maintaining liquidity by investing in a diverse portfolio of Canadian government fixed income (federal, provincial and municipal) and corporate securities.”

Caldwell proposes to change the fundamental investment objective of Caldwell Income Fund (the “Investment Objective Change”) to the following (the “New Investment Objective”): “to generate attractive total returns, while placing an emphasis on capital preservation, by investing primarily in a portfolio of government guaranteed bonds.”

If Unitholders of the Fund approve the Investment Objective Change, the New Investment Objective will be effective no later than July 31, 2018.

### **REASONS FOR THE PROPOSED FUNDAMENTAL INVESTMENT OBJECTIVE CHANGE**

The Investment Objective Change is intended to reflect a modified strategy employed by the Fund to enhance unitholder returns and reduce risk.

Utilizing a combination of fundamental macroeconomic and technical analysis, the Fund will seek to achieve the New Investment Objective by employing an investment strategy designed to identify and capitalize on anticipated changes in: (i) Canadian and U.S. yield curves; and (ii) currency exchange rates. The Fund will invest primarily in Canadian and U.S. government guaranteed debt securities. The Fund will also supplement its holdings, from time to time, with long and short positions in securities which provide exposure to government bonds, such as exchange traded funds. During periods in which Caldwell is anticipating a decrease in interest rates, the Fund will seek to enhance returns by increasing both its allocation to bonds and its portfolio duration. Conversely, during periods in which interest rates are expected to rise, the Fund will endeavor to mitigate risk by lowering its portfolio duration and increasing its allocation to shorter-term debt instruments and/or cash and cash equivalents.

The Fund may also strategically engage in hedging or shorting strategies and utilize specified derivatives, such as options, futures and forward contracts, to:

- insulate the portfolio against losses associated with rising interest rates,
- gain exposure to fixed income instruments without actually investing in them directly (when owning the derivative investment is less costly than owning the fixed income instrument itself),

- enhance returns or minimize the risk associated with anticipated changes in interest or currency exchange rates.

Consistent with its current investment approach, the Fund will continue to tactically invest in government guaranteed bonds in order to generate attractive total returns, while placing an emphasis on capital preservation. However, in order to enhance the potential benefits offered by this strategy, Caldwell is proposing to broaden the Fund's permitted investments to include the sovereign debt of foreign nations, while maintaining a focus on Canadian and U.S. bond issues.

The Fund may depart temporarily from the foregoing strategies as a result of adverse market conditions. Fixed income securities may be converted to shorter-term debt instruments, and/or cash and cash equivalents if rising interest rates are anticipated or evident.

### **PROPOSED SERIES F RECLASSIFICATION**

In accordance with Section 3.08 of the Amended and Restated Declaration of Trust of the Fund dated July 15, 2016, Caldwell proposes to reclassify all Series F Units of the Fund held by each Unitholder into Series I Units of the Fund (the "**Series F Reclassification**"), such that the aggregate Series net asset value ("**NAV**") per Series I Unit will be equal to the aggregate Series NAV per Unit of the Series F Units so reclassified, as of the date of the Series F Reclassification.

The Series F Reclassification does not constitute a redemption or cancellation of the Series F Units so reclassified and the Series F Unitholder shall not receive, and shall not be entitled to receive, any proceeds of disposition in respect thereof.

Series F Units are subject to management fees of 0.75%. Series I Units are subject to management fees of 0.25%. Following the Series F Reclassification, the reclassified Series F Units will be subject to the fees and other terms and conditions applicable to Series I Units. The result will be a reduction in management fees for current Series F Unitholders of the Fund.

If Series F Unitholders of the Fund approve the Series F Reclassification, the Series F Reclassification will be effective no later than July 31, 2018. Effective as of June 15, 2018, Series F units of the Fund are closed to new investment.

### **REASONS FOR THE SERIES F RECLASSIFICATION**

The Series F Reclassification is part of a rationalization and simplification by Caldwell of the Series of Units offered by the Fund. The Series F Reclassification is intended to reduce the Fund's management fee and administrative expenses, including third party service fees and regulatory filing fees.

### **PROPOSED SERIES M RECLASSIFICATION**

In accordance with Section 3.08 of the Amended and Restated Declaration of Trust of the Fund dated July 15, 2016, Caldwell proposes to reclassify all Series M Units of the Fund held by each Unitholder into Series I Units of the Fund (the "**Series M Reclassification**"), such that the aggregate Series net asset value ("**NAV**") per Series I Unit will be equal to the aggregate Series NAV per Unit of the Series M Units so reclassified, as of the date of the Series M Reclassification.

The Series M Reclassification does not constitute a redemption or cancellation of the Series M Units so reclassified and the Series M Unitholder shall not receive, and shall not be entitled to receive, any proceeds of disposition in respect thereof.

Series M Units are subject to management fees of 0.50%. Series I Units are subject to management fees of 0.25%. Following the Series M Reclassification, the reclassified Series M Units will be subject to the fees and other terms and conditions applicable to Series I Units. The result will be a reduction in management fees for current Series M Unitholders of the Fund.

If Series M Unitholders of the Fund approve the Series M Reclassification, the Series M Reclassification will be effective no later than July 31, 2018. Effective as of June 15, 2018, Series M units of the Fund are closed to new investment.

## **REASONS FOR THE SERIES M RECLASSIFICATION**

The Series M Reclassification is part of a rationalization and simplification by Caldwell of the Series of Units offered by the Fund. The Series M Reclassification is intended to reduce the Fund's management fee and administrative expenses, including third party service fees and regulatory filing fees.

## **AUTHORIZATION BY UNITHOLDERS**

### **FUNDAMENTAL INVESTMENT OBJECTIVE CHANGE**

In order to effect the Investment Objective Change, unitholders of Caldwell Income Fund must approve the Investment Objective Change. By approving the Investment Objective Change, unitholders of the Fund also will be authorizing any director or officer of Caldwell to take all such steps as may be necessary or desirable to give effect to the Investment Objective Change. Under such authority, Caldwell will make such changes to the Fund as may be necessary or desirable to fulfill regulatory requirements.

To give effect to the foregoing, Unitholders of Caldwell Income Fund are being asked to pass the resolution set out in Schedule "A" to this Management Information Circular. To be approved, the resolution set out in Schedule "A" to this Management Information Circular requires the affirmative vote of not less than a majority of the votes cast at the relevant Special Meeting.

Any Unitholder of the Fund who does not wish to remain invested in the Fund under the Investment Objective Change can at any time redeem his or her Units of the Fund and receive the net asset value therefor in accordance with the procedures of the Fund.

### **SERIES F RECLASSIFICATION**

In order to effect the Series F Reclassification, Series F Unitholders of Caldwell Income Fund must approve, voting separately as a series, the Series F Reclassification. By approving the Series F Reclassification, Unitholders of the Fund also will be authorizing any director or officer of Caldwell to take all such steps as may be necessary or desirable to give effect to the Series F Reclassification. Under such authority, Caldwell will make such changes to the Fund as may be necessary or desirable to fulfill regulatory requirements.

To give effect to the foregoing, Series F Unitholders of Caldwell Income Fund are being asked to pass the resolution set out in Schedule "B" to this Management Information Circular. To be approved, the resolution set out in Schedule "B" to this Management Information Circular requires the affirmative vote of not less than a majority of the votes cast by Series F Unitholders, voting separately as a series, at the relevant Special Meeting.

Any Series F Unitholder of the Fund who does not wish to remain invested in the Fund following the Series F Reclassification can at any time redeem his or her Units of the Fund and receive the net asset value therefor in accordance with the procedures of the Fund.

### **SERIES M RECLASSIFICATION**

In order to effect the Series M Reclassification, Series M Unitholders of Caldwell Income Fund must approve, voting separately as a series, the Series M Reclassification. By approving the Series M Reclassification, Unitholders of the Fund also will be authorizing any director or officer of Caldwell to take all such steps as may be necessary or desirable to give effect to the Series M Reclassification. Under such authority, Caldwell will make such changes to the Fund as may be necessary or desirable to fulfill regulatory requirements.

To give effect to the foregoing, Series M Unitholders of Caldwell Income Fund are being asked to pass the resolution set out in Schedule "B" to this Management Information Circular. To be approved, the resolution set out in

Schedule "B" to this Management Information Circular requires the affirmative vote of not less than a majority of the votes cast by Series M Unitholders, voting separately as a series, at the relevant Special Meeting.

Any Series M Unitholder of the Fund who does not wish to remain invested in the Fund following the Series M Reclassification can at any time redeem his or her Units of the Fund and receive the net asset value therefor in accordance with the procedures of the Fund.

#### **INDEPENDENT REVIEW COMMITTEE**

Canadian securities regulators require the Fund, and all public mutual funds, to establish an Independent Review Committee (the "IRC"). Further information about the composition and duties of the IRC for each Fund is contained in the simplified prospectus and annual information form of the Funds. Caldwell, as the manager of the Funds, must bring "conflict of interest matters" as described in the regulations to the IRC for its review and to make recommendations to Caldwell. The Proposed Changes are not "conflict of interest matters" so the IRC of the Fund has not reviewed them and was not asked to determine if they achieve a fair and reasonable result for the Fund.

#### **CALDWELL'S RECOMMENDATION REGARDING THE PROPOSED CHANGES**

For the reasons set out above under the sub-headings "Reasons for the Series F Reclassification", "Reasons for the Series M Reclassification" and "Reasons for the Fundamental Investment Objective Change", Caldwell strongly recommends that Unitholders of the Fund vote FOR the proposed resolutions set out in Schedules "A", "B" and "C" below.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the form of proxy accompanying this Management Information Circular are officers or employees of Caldwell. **A unitholder has the right to appoint a person (who need not be a unitholder) other than the persons specified in such form of proxy to attend and act for and on behalf of such unitholder at the applicable Special Meeting. Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space so provided, signing the form of proxy and returning it in the reply envelope.** In order to be voted at a Special Meeting, proxies must be received at Caldwell Investment Management Ltd., 150 King Street West, Suite 1702, Toronto, Ontario M5H 1J9, not later than 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement of the Special Meeting or any adjournment thereof or deposited with the chairman of the Special Meeting prior to the commencement thereof. Alternatively, proxies may be faxed to 416-862-2498 by such time, in which event all pages of the proxies should be returned.

A unitholder who executes and returns the form of proxy may revoke it: (i) by delivering an instrument in writing executed by him or her or by his or her attorney authorized in writing to the place, and by the time, specified above for the delivery of proxies; (ii) by depositing such instrument in writing with the chairman of the applicable Special Meeting on the day of such meeting or any adjournment thereof; or (iii) in any other manner permitted by law.

#### **VOTING OF PROXIES**

Except as indicated below, where no direction is given by a Unitholder submitting a proxy, the persons named therein will vote the Units in favour of each of the matters set out therein. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meetings and with respect to other matters which may properly come before the Special Meeting in respect of which the proxy is granted or any adjournments of such Special Meeting. As of the date hereof, Caldwell knows of no such amendments, variations or other matters to come before the Special Meeting.

#### **RECORD DATE**

May 29, 2018 is the record date for the determination of unitholders entitled to receive notice of the Special Meetings and to vote thereat.

**VOTING UNITS AND PRINCIPAL HOLDERS**

As at May 29, 2018, the Fund had the following units outstanding:

<b>Caldwell Income Fund Series</b>	<b>Number of Outstanding Units</b>
Series A	992,333.8509
Series F	150,438.0654
Series I	2,385,138.9350
Series M	292,363.9808

Each whole Unit of the Fund entitles the holder thereof to one vote on all matters coming before the Special Meeting, as follows:

<b>Matter to be Voted</b>	<b>Unitholders Entitled to Vote</b>
Investment Objective Change	All Fund Unitholders voting as a single class
Series F Reclassification	Series F Unitholders voting separately as a series
Series M Reclassification	Series M Unitholders voting separately as a series

As at May 29, 2018, to the knowledge of Caldwell, no person or company owned beneficially, directly or indirectly, or exercised control or direction over, more than 10% of the outstanding voting Units of the Fund or any Series of the Fund.

**OTHER INFORMATION**

**Interest of Certain Persons in Matters to be Acted Upon**

Caldwell provides management services to the Fund pursuant to an amended and restated declaration of trust dated July 15, 2016. Caldwell will continue to provide management services to the Fund and receive management fees as described in the Fund's most recently filed simplified prospectus, as amended.

For the year ended December 31, 2017, the Fund paid management fees to Caldwell as follows:

<b>Caldwell Income Fund Series</b>	<b>Management Fee</b>	<b>HST</b>	<b>Total Management Fee</b>
Series A	\$39,297.12	\$5,108.62	\$44,405.74
Series F	\$4,703.25	\$611.42	\$5,314.67
Series I	\$75,645.16	\$9,833.87	\$85,479.03
Series M	\$10,848.86	\$1,410.35	\$12,259.21

**Series I New Standard Minimum**

Effective June 15, 2018, Caldwell has replaced the current minimum investment levels required in respect of Series I investments (the "**Current Aggregate Minimum**") with a standard minimum investment requirement based on each Series I individual unitholder's holdings (the "**New Standard Minimum**").

Under the Current Aggregate Minimum regime, the minimum initial purchase order for Series I Units of the Fund is \$50,000. Each subsequent purchase order for Series I Units must be for an amount of \$1,000 or more. Each investor in Series I Units of the Fund must always hold Series I Units of the Fund which have a NAV of at least \$50,000. Within 365 days after Caldwell accepts the first purchase order for Series I Units made through an investment advisor, the aggregate value of all Series I purchase orders, net of Series I redemptions, made by all

investors through that investment advisor must be at least \$5,000,000 and, thereafter, must not fall below \$5,000,000 for more than 90 consecutive days.

Under the New Standard Minimum, the minimum initial purchase order for Series I Units of the Fund will be reduced to \$500. Each subsequent purchase order for Series I Units of the Fund will need to be for an amount of \$100 or more (\$50 minimum purchase order for investors who participate in the Monthly Investment Plan). Each investor in Series I Units of a Fund will be required to always hold Series I Units of the Fund which have a net asset value of at least \$500. Caldwell has determined that the administrative burdens associated with administering the Current Aggregate Minimum regime outweigh its benefits to the Fund and Unitholders.

The replacement of the Current Aggregate Minimum with the New Standard minimum is part of a rationalization and simplification by Caldwell of the Fund's purchase options. The New Standard Minimum will allow more investors to have access to Series I Units of the Fund, and eliminate costs incurred in connection with the Current Aggregate Minimum.

#### **Other Matters**

On June 15, 2018, Caldwell has filed an Amendment No. 2 to the Fund's simplified prospectus and annual information form, and filed amended Fund Facts documents for each Series of Units of the Fund (the "**Amendment**"). The Amendment disclosed the Proposed Changes and the replacement of the Series I Current Aggregate Minimum with the New Standard Minimum. Caldwell does not intend to file or deliver any additional notices in connection with the matters described in this Management Information Circular.

The Fund has obtained regulatory exemptive relief extending the time limits for the 2018 annual renewal of the simplified prospectus of the Fund, the Caldwell Balanced Fund and the Caldwell Canadian Value Momentum Fund (collectively, the "**Caldwell Mutual Funds**") dated July 20, 2017, as amended, to those time limits that would apply if the lapse date of the simplified prospectus was August 20, 2018. If approved, the Proposed Changes will be reflected in the final 2018 simplified prospectus of the Caldwell Mutual Funds and the documents incorporated by reference therein, as applicable (the "**Final 2018 Prospectus**").

If Fund Unitholders approve the Investment Objective Change, Caldwell proposes to change the name of the Fund to "Tactical Sovereign Bond Fund" effective on the date a final receipt is duly issued in respect of the Final 2018 Prospectus.



**CERTIFICATES**

The contents of this Management Information Circular and its distribution have been approved by the board of directors of Caldwell Investment Management Ltd. as manager of the Fund.

DATED at Toronto, Ontario, this 15<sup>th</sup> day of June, 2018.

BY ORDER OF THE BOARD OF DIRECTORS OF CALDWELL  
INVESTMENT MANAGEMENT LTD., THE MANAGER AND  
TRUSTEE OF EACH FUND

*"Brendan T. N. Caldwell"*

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Brendan T. N. Caldwell  
President and Chief Executive Officer  
Caldwell Investment Management Ltd.

**SCHEDULE "A"**

**FORM OF RESOLUTION OF THE UNITHOLDERS**

**OF**

**CALDWELL INCOME FUND**

**(the "Fund")**

**BE IT RESOLVED THAT:**

1. the fundamental investment objective change described in the Management Information Circular of the Fund dated June 15, 2018, is approved; and
2. any director or officer of the manager of the Fund is authorized to take all such steps as may be necessary or desirable to give effect to the foregoing.

**SCHEDULE "B"**

**FORM OF RESOLUTION OF THE SERIES F UNITHOLDERS**

**OF**

**CALDWELL INCOME FUND**

**(the "Fund")**

**BE IT RESOLVED THAT:**

1. the reclassification of Series F Units of the Fund into Series I Units of the Fund in the manner described in the Management Information Circular of the Fund dated June 15, 2018 is approved; and
2. any director or officer of the manager of the Fund is authorized to take all such steps as may be necessary or desirable to give effect to the foregoing.

**SCHEDULE "C"**

**FORM OF RESOLUTION OF THE SERIES M UNITHOLDERS**

**OF**

**CALDWELL INCOME FUND**

**(the "Fund")**

**BE IT RESOLVED THAT:**

1. the reclassification of Series M Units of the Fund into Series I Units of the Fund in the manner described in the Management Information Circular of the Fund dated June 15, 2018 is approved; and
2. any director or officer of the manager of the Fund is authorized to take all such steps as may be necessary or desirable to give effect to the foregoing.