



Caldwell Income Fund Announces Proposed Reduction of Fees and Fund Enhancements Designed to Improve Returns and Reduce Risk

June 15, 2018

Dear Investor:

Caldwell Investment Management (the "Manager"), the manager of Caldwell Income Fund (the "Fund") is pleased to invite you to attend a special meeting of the unitholders of the Fund, to be held on July 11, 2018. The purpose of the meeting is to seek unitholder approval to effect certain modifications to the Fund, which, as more fully described in the attached Management Information Circular, are principally intended to enhance unitholder value by:

- **Reducing the management fees** charged on Series F and Series M units of the Fund to 0.25% p.a. from 0.75% p.a. and 0.50% p.a., respectively, by converting both the Series F and Series M units into Series I units of the Fund. This reduced fee of 0.25% p.a. is equivalent to the amount charged on the Fund's series I units, which was historically restricted to institutional and other larger client orders. This conversion will not be a taxable event and is also expected to benefit unitholders by way of a reduction in expenses associated with operating the Fund.
- **Increasing the Fund's ability to reduce risk and to capitalize on attractive investment opportunities** resulting from anticipated interest rate changes and yield curve shifts. 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, the Manager 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. In addition, the Manager intends to supplement the Fund's portfolio, from time to time, with long and short positions in securities, such as certain exchange traded funds, which provide underlying exposure to risk-free government bonds. The Manager believes these changes will better enable the Fund to enhance returns during periods of falling interest rates and insulate the portfolio against losses associated with rising interest rate environments.
- In addition, in connection with the proposed changes, the name of the Fund will be changed to **Tactical Sovereign Bond Fund** to better reflect its broadened investment mandate.
- **Finally, we are increasing the ability for unitholders to invest in Series I units of the Fund by reducing the required initial purchase amount from \$50,000 to \$500 and by eliminating the current requirement for an investment advisor to hold a minimum aggregate value of \$5 million in Series I unit purchase orders made by all the investors whom that advisor represents.**

Thank you for your investment and support. Should you have any questions regarding the proposed changes, please feel free to contact Jennifer Kuta in our Sales and Marketing department at 416-593-1798 or 1-800-256-2441.

Sincerely,

Brendan Caldwell
President and CEO