

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2018

CWB Core Fixed Income Fund



DISCLOSURE

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-855-292-9655, by writing to us at Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6, by visiting our website at www.cwbwealth.com, or by visiting SEDAR at www.sedar.com.

Security holders may also contact us 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.

Caution Regarding Forward Looking Information

This document may contain forward-looking statements (“FLS”) concerning the investment fund, its future performance, its strategies or prospects or about future events or circumstances. Such FLS include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as “may”, “could”, “should”, “outlook”, “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates”, and other similar expressions. By their very nature, FLS imply the use of assumptions and necessarily involve inherent risks and uncertainties, both general and specific. There is a significant risk that the explicit and implicit forecasts contained in these FLS might not materialize or that they may not prove to be accurate. In fact, a number of factors could cause future results, conditions or events to differ materially from the objectives and expectations expressed in such FLS. Such differences might be caused by, for example, changes in Canadian and worldwide economic and financial conditions (in particular, interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events, specifically those related to the war on terrorism, and other risks described in detail in the investment fund’s current simplified prospectus.

The foregoing list of factors is not exhaustive. Before making any investment decisions, investors and others relying on our FLS should carefully consider the foregoing factors and the uncertainties and risks they contain. We caution readers not to place undue reliance on these FLS.

FLS are issued in good faith and may be modified without notice. We assume no obligation to update FLS in the light of new information, future events or other circumstances unless applicable legislation so requires.

MANAGEMENT DISCUSSION OF THE PERFORMANCE OF CWB CORE FIXED INCOME FUND

Results of Operations

In the first six months of 2018 (the “Period”), the net assets of the CWB Core Fixed Income Fund (“CCFIF” or the “Fund”) decreased by \$2,794,669 to \$23,553,357, reflecting a decrease of \$118,838 from negative investment performance, and net withdrawals of \$2,670,506 to the Fund (including re-invested distributions to unit holders of \$5,325). Over the Period, the Fund returned -0.33%, versus 0.61% for the Fund’s benchmark, the FTSE TMX Canada Universe Overall Bond Index (the “Benchmark”). Unlike the Benchmark, the Fund’s return is calculated after the deduction of fees and expenses.

During the Period, the Fund had held a slightly shorter duration¹ relative to its Benchmark. We believe that while there are factors that could cause yields to rise further, there are also factors that could cause yields to decline again. We do not believe there is sufficient evidence in one direction or the other to justify taking on large duration bets.

Pressure by U.S. and Canadian central banks to normalize rates is putting upward pressure on the yield curve. In contrast, continued quantitative easing by European and Japanese central banks is putting downward pressure on the yield curve in their respective markets.

The Bank of Canada raised the bank rate in January by 25 basis points (“bps”). While short and mid-term yields increased based on this news, long-term yields did not rise to the same extent. In fact, very long bond yields actually slightly declined. Therefore, the Fund’s under-exposure to very long term bonds constrained relative performance to the Benchmark over the Period.

Credit product (provincial and corporate bonds) has seen very little net movement in its spread over the course of the Period. With the Fund’s over exposure to credit product over the Period, this proved to be beneficial for the Fund’s relative performance.

¹ A measure of the sensitivity of a security or portfolio to interest rate movements. A higher or longer duration implies a higher sensitivity to interest rate movements. A lower or shorter duration implies a lower sensitivity to interest rate movements.

Recent Developments

Market Developments

The U.S. Federal Reserve Board (the “Fed”) raised the benchmark interest rate by 50 bps over the Period. We believe an additional 50 to 75 bps increase in U.S. interest rates is likely over the next six months. The Fed has been executing its plan for reducing its System Open Market Account, which serves to put upward pressure on U.S. interest rates.

The Bank of Canada (the “bank”) is also expected to raise rates 25 to 50 bps over the remainder of the year. Economic indicators (year to date) have supported the Bank in its efforts to raise rates, although markets are questioning the sustainability of continued Canadian economic growth.

Political issues remain primary concern for markets. Tax relief and reduced regulations have provided a boost to the U.S. economy; however, this has also served to reduce Canada’s relative advantage. Protectionism (real and anticipated) is having a dampening effect on market sentiment, and investors are concerned about the negative effect on growth that increased protectionism will have. With Canada being a trading nation, it will be particularly exposed to this kind of economic retraction.

Oil prices continue to rise from depressed levels, with West Texas Intermediate (the U.S. benchmark oil price) increasing more than 16% year to date in U.S. dollar terms. Canadian energy companies have been restricted in their ability to take advantage of higher world oil prices, as there are limited markets they are able to access economically. Efforts to alleviate this issue have been met with unfavorable political opportunism, and this problem for Canadian producers will likely persist into the near future.

On June 11, 2018, CWB Wealth Management Ltd. (“CWB WM” or “we”) approved the merger of the Fund into the CWB Onyx Diversified Income Fund effective on or about September 10, 2018. On the effective date of the merger, unitholders of the Fund will receive Series A units of the CWB Onyx Diversified Income Fund on a dollar-for-dollar and tax-deferred basis. The fund will be wound up following the merger.

Effective September 1, 2017, the Manager adopted the risk classification methodology under National Instrument 81-102 – Investment Funds (the “new risk classification methodology”). Pursuant to the new risk classification methodology, certain funds’ risk ratings were changed in conjunction with the funds’ most recent prospectus renewal on June 19, 2018. CWB WM reviews each fund’s risk rating on an annual basis or if there has been a material change to a fund’s investment objectives or investment strategies. Any changes to a fund’s risk rating are the result of the CWB WM’s annual review and the adoption of the new risk classification methodology.

Related Party Transactions

CWB WM serves as trustee, manager, portfolio advisor and principal distributor of the Fund. The Fund pays CWB WM a management fee as compensation for its services. Refer to the section titled ‘Management Fees’ for a summary of fees paid to CWB WM.

CWB WM is party to a participating dealer agreement (the “Dealer Agreement”) with Canadian Western Financial Ltd. (“CWF”), a subsidiary of CWB WM. Pursuant to the Dealer Agreement, CWB WM pays CWF a monthly trailing commission equal to 1/12th of 0.5% of the net asset value attributable to units of the Fund held by CWF clients. This trailing commission will be paid directly by CWB WM and will not increase the management fee paid to CWB WM by the Fund.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's performance for the past five calendar years and for the period ended June 30, 2018.

CWB Core Fixed Income Fund's Net Assets per Unit¹

	June 30, 2018	2017	2016	2015	2014	2013
Net Assets, beginning of year	\$10.36	\$10.49	\$10.71	\$10.85	\$10.62	\$11.08
Increase (decrease) from operations:						
Total revenue	\$0.13	\$0.24	\$0.23	\$0.25	\$0.26	\$0.28
Total expenses	(\$0.07)	(\$0.14)	(\$0.15)	(\$0.15)	(\$0.15)	(\$0.15)
Realized gains (losses) for the period	(\$0.04)	(\$0.05)	\$0.10	\$0.28	\$0.16	\$0.12
Unrealized gains (losses) for the period	(\$0.07)	-	(\$0.16)	(\$0.09)	\$0.27	(\$0.38)
Total increase (decrease) from operations²	(\$0.05)	\$0.05	\$0.02	\$0.29	\$0.54	\$(0.14)
Distributions:						
From income (excluding dividends)	-	\$0.18	\$0.16	\$0.17	\$0.19	\$0.21
From dividends	-	-	-	-	-	-
From capital gains	-	-	\$0.10	\$0.25	\$0.14	\$0.11
Return of capital	-	-	-	-	-	-
Total Annual Distributions³	-	\$0.18	\$0.26	\$0.43	\$0.33	\$0.32
Net Assets as at last date of period shown	\$10.32	\$10.36	\$10.49	\$10.71	\$10.85	\$10.62

1 This information is derived from the Fund's unaudited interim financial statements. All figures presented are prepared in accordance with IFRS, which requires the Fund to measure the fair value of its investments based on close market prices, where the close market price falls within the bid-ask spread, which is consistent with the method used in measuring the net asset value for transactions with unitholders.

2 Net assets 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.

3 Distributions were reinvested in additional units of the Fund.

Ratios and Supplemental Data

	June 30, 2018	2017	2016	2015	2014	2013
Total net asset value (000's) ¹	\$23,553	\$26,348	\$27,549	\$21,854	\$19,615	\$15,294
Number of units outstanding ¹	2,281,327	2,543,722	2,626,605	2,040,817	1,807,757	1,440,372
Management expense ratio ²	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
Management expense ratio before waivers or absorptions	1.47%	1.47%	1.49%	1.63%	1.60%	1.80%
Trading expense ratio ³	0%	0%	0%	0%	0%	0%
Portfolio turnover rate ⁴	12.88%	56.96%	111.03%	91.67%	70.73%	49.84%
Net asset value per unit	\$10.32	\$10.36	\$10.49	\$10.71	\$10.85	\$10.62

1 This information is provided as at December 31 of the year shown unless otherwise specified.

2 Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

3 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 period.

4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

The Fund pays CWB WM a monthly management fee equal to 1/12th of 1% of the monthly net asset value of the Fund. The management fee is calculated and accrued daily and payable monthly in arrears, based on the net weekly asset value of the Fund.

This fee compensates CWB WM for providing advisory and portfolio management services to the Fund, managing the daily operations of the Fund and acting as Trustee for the Fund. CWB WM waived a portion of its fee in the six months ended June 30, 2018, to ensure that the management expense ratio did not exceed 1.3% before applicable taxes.

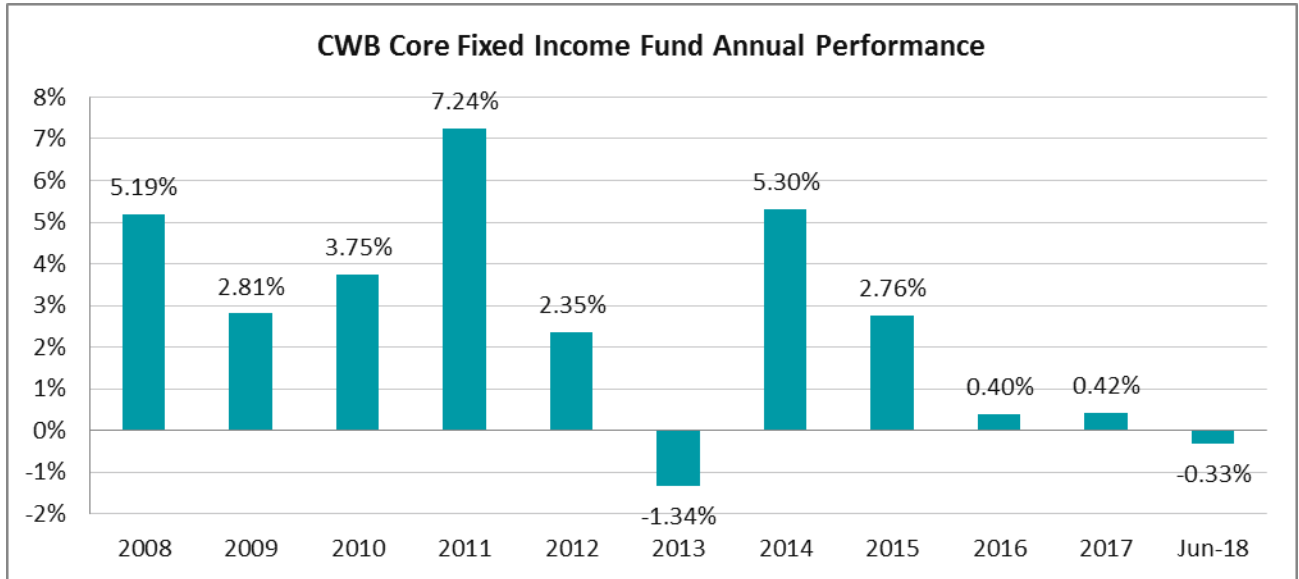
PAST PERFORMANCE

The past performance of the Fund is set out in the following charts. The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance.

Mutual fund returns are not guaranteed. Please note that past performance is not indicative of future performance.

Year-by-Year Returns

The following bar chart shows the Fund’s annual performance in each of the past ten years and for the six month period ending June 30, 2018, and illustrates how the Fund’s performance has changed from year to year. The chart shows, in percentage terms, how an investment made on January 1 would have increased or decreased by the last day of the fiscal period presented.



*Return from January 1, 2018 to June 30, 2018 not annualized.

SUMMARY OF INVESTMENT PORTFOLIO

The following table summarizes how the Fund's assets were distributed across sectors as at June 30, 2018.

Sector	% of Net Asset Value
Cash & Short-term Investments	1.0%
Other Net Assets	0.3%
Corporate	38.2%
Provincial	30.6%
Federal	29.9%
Total	100.0%

Top 25 Holdings

The following table lists the twenty-five largest holdings of the Fund (based on percentage of net asset values of the Fund) as at June 30, 2018.

Canadian Government 5.750% Jun 01/33	9.7	Greater Toronto Airport 7.100% Jun 04/31	3.0
Canada Housing Trust 2.350% Mar 15/28	8.9	Bank of Nova Scotia 2.620% Dec 02/26	3.0
Province of New Brunswick 5.650% Dec 27/28	6.9	Toronto Dominion Bank 3.226% Jul 24/24	2.8
Province of Nova Scotia 2.100% Jun 01/27	6.1	Telus Corp. 3.625% Mar 01/28	1.8
Canada Housing Trust 1.150% Dec 15/21	6.0	Shaw Communications Inc. 3.800% Mar 01/27	1.8
Province of Saskatchewan 2.550% Jun 02/26	6.0	Metro Inc. 3.390% Dec 06/27	1.8
Canadian Government 3.250% Jun 01/21	5.3	Westcoast Energy Inc. 3.430% Sep 12/24	1.8
407 International Inc. 2.430% May 04/27	4.0	Canadian Natural Resources 3.420% Dec 01/26	1.8
OMERS Realty Corp. 3.244% Oct 04/27	4.0	Loblaw Companies Ltd. 4.860% Sep 12/23	1.8
Canadian National Railway 2.800% Sep 22/25	4.0	Alimentation Couche-Tard 3.600% Jun 02/25	1.8
Province of British Columbia 3.300% Dec 18/23	4.0	Bell MTS Inc. 4.000% May 27/24	1.8
Province of Quebec 2.750% Sep 01/25	3.9	Enbridge Gas Distribution 3.150% Aug 22/24	1.7
Province of Manitoba 3.000% Jun 02/28	3.7		

The investments and percentages may have changed by the time you purchase units of the Fund due to portfolio transactions of the Fund. The top 25 holdings are made available quarterly and may be obtained by contacting CWB WM at 1-855-292-9655 or by writing to: CWB Wealth Management Ltd., Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6.