

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2018

CWB Core Equity Fund



DISCLOSURE

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the 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 interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Caution Regarding Forward Looking Information

Certain portions of this report, including, but not limited to, “Results of Operations” and “Recent Developments”, may contain forward-looking statements including, but not limited to, statements about the Fund, its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “may”, or future or conditional verbs such as “will”, “should”, “would” and “could”, and similar forward-looking expressions or negative versions thereof. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement.

Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general economic and business environment, in each case assuming no material changes to applicable tax or other laws, government regulations, or policies.

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Fund’s predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, and that its assumptions may not be correct.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. A variety of factors, many of which are beyond the Fund’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events, and other risks described in the Fund’s current simplified prospectus. The above-mentioned list of important factors is not exhaustive.

Before making any investment decisions, investors and others relying on forward-looking statements should carefully consider the foregoing factors and the uncertainties and risks they contain. We caution readers not to place undue reliance on these forward-looking statements.

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

MANAGEMENT DISCUSSION OF THE PERFORMANCE OF CWB CORE EQUITY FUND

Investment Objective and Strategies

The investment objective of CWB Core Equity Fund (the “Fund”) is to invest for above average long-term returns in equity securities. The Fund invests primarily in Canadian equity securities but has the ability to invest up to 50% of the portfolio in U.S. and other foreign equities.

The Fund’s growth at a reasonable price investment strategy is designed to maximize potential returns while controlling risk. This is a quantitative approach that strives to build a portfolio with more attractive value characteristics than the market, while at the same time emphasizing stronger profitability parameters.

Portfolio characteristics are monitored on an ongoing basis. A stock is added to the portfolio if it improves the overall portfolio characteristics. It is removed if it no longer meets the Fund’s expectations, or if it detracts from the portfolio parameters. Diversification is sought through limits on individual positions and market sectors. Portfolio turnover is relatively low, and the active or frequent trading of securities is not a principal investment strategy.

Risk

No changes to the Fund affecting the Fund’s overall level of risk were made during the 12-month period ended December 31, 2018 (the “Period”). The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Fund’s most recent simplified prospectus or any amendments or fund facts.

Results of Operations

Over the Period, the Fund’s net assets decreased by \$14,966,207 to \$43,498,603, reflecting a decrease of \$3,826,778 from negative investment performance, distributions to unitholders of \$1,207,899, and net withdrawals of \$9,931,530.

The Fund returned -8.25% over the Period versus the Fund’s internal benchmark, a combination of the FTSE/TMX 91 day T-bill Index¹, S&P/TSX Composite TR Index², S&P 500 Composite TR Index³ \$CAD and the MSCI EAFE Index⁴ \$CAD, which returned -4.49% over the Period⁵. Unlike the benchmark, the Fund’s return is calculated after the deduction of fees and expenses.

In response to the economic headwinds created by insufficient oil pipeline capacity and the resulting steep discount for Canadian oil, the Alberta government mandated industry wide production cuts. Although the production cuts helped to stabilize Canadian oil prices towards year end, the Energy sector was the worst performing sector during the year (down 18.23%).

The Fund allocated less weight to the Materials sector for much of the year, and added two high quality holdings from the Gold sector in the second half of 2018, positively contributing to the Fund’s performance. A significant factor in the Fund’s overall underperformance was security selections in the

¹ The FTSE/TMX 91 day T-bill Index represents the return of the 3 month rolling Government of Canada T-bill.

² The S&P/TSX Composite Index is a broad based stock market index of the largest Canadian firms listed on the Toronto Stock Exchange.

³ The S&P 500 Composite Index is an index of the trading prices of the shares of the 500 top US companies.

⁴ The MSCI EAFE Index is an index of the trading prices of the shares of companies across developed markets in Europe, Australasia and the Far East.

Industrial sector - a couple of larger holdings significantly underperformed the market and our expectations. As a result, these significantly underperforming holdings were sold.

It was a volatile year for U.S. equities, as the S&P 500 hit a record high in the summer and then fell sharply in Q4 to record its worst Q4 since 2008. Overall, the S&P 500 was positive on the year in Canadian dollars. The index and most of the sectors posted negative returns in U.S. dollar terms with the Energy sector falling the most (-17.99%) amid concerns regarding an oversupply of oil and a softening economic outlook.

With respect to U.S. equities, the Fund added value through strong stock selection and allocating more weight to the Consumer Staples sector. Stock selection within the Utilities sector, which was the second best performing sector behind the Health Care sector, positively contributed to the Fund's performance.

Recent Developments

Market Developments

The Canadian economy was healthy through most of 2018. Two factors weighed on Canada. First, the ongoing North American Free Trade Agreement (NAFTA) negotiations caused significant uncertainty. The Canada-United States-Mexico Agreement (CUSMA) trade deal reached between Canada, the U.S. and Mexico cleared up the situation somewhat, although the deal is yet to be ratified. Second, lack of pipeline capacity saw the price for Canadian crude fall to record lows against global benchmarks. This caused the Alberta government to intervene by putting production curtailments in place which may be in place for the next two years. The Canadian economy looked to be decelerating going into 2019.

Canadian economic growth is slowing. The market has become much more cautious, and does not anticipate any further interest rate hikes from the Bank of Canada in 2019. This was a dramatic change that was seen over the course of the last quarter of 2018, and reflects an anticipation of global economic weakness.

The U.S. economy remained quite strong throughout the year with Gross Domestic Product (GDP) growing at 2.90%. Most sectors of the economy continued to perform well. Consumer confidence was high while unemployment levels remained at a record low. Housing market activity slowed, partly due to higher mortgage rates, but remained stable. Business investment was strong during the year as companies took advantage of a new tax law allowing full expensing of equipment purchases, and tariffs continued to impact growth in trade.

Despite the U.S. economy showing robust growth in the period, market fundamentals have deteriorated somewhat since last fall. Some concerns surrounding earnings have started to surface giving some legitimacy to concerns around global economic activity slowing. Although the U.S. economy continues to show generally good strength, the bond market is reflecting a weaker economic outlook. This disconnect suggests that market volatility may be more prevalent in 2019.

North American equity market fundamentals remained strong throughout the year, and most of the decline in stock markets was driven by a lack of confidence in continued growth, rather than a drop in earnings. Current multiples imply the market has already priced in a significant economic and earnings slowdown.

The Fund remains defensively biased focusing on stable, high quality companies with solid dividends. Our defensive posture reflects our view of moderating growth in the Canadian economy. We believe that the recent volatility in the markets provides some opportunity to add undervalued securities.

Change in Auditor

Effective June 1, 2018, the Fund transitioned from PriceWaterhouseCoopers LLP to KPMG LLP as auditors of the Fund.

Related Party Transactions

CWB Wealth Management Ltd. (“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 0.50% of the net asset value attributable to units of the Fund held by CWF clients. This trailing commission is paid directly by CWB WM and does 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 years.

CWB Core Equity Fund’s Net Assets per Unit¹

	2018	2017	2016	2015	2014
Net Assets, beginning of year	\$18.84	\$18.51	\$16.66	\$16.77	\$15.32
Increase (decrease) from operations:					
Total revenue	\$0.60	\$0.67	\$0.54	\$0.57	\$0.50
Total expenses	(\$0.26)	(\$0.27)	(\$0.25)	(\$0.26)	(\$0.24)
Realized gains (losses) for the period	\$0.83	\$0.93	\$0.45	\$0.51	\$0.76
Unrealized gains (losses) for the period	(\$2.54)	(\$0.32)	\$1.36	(\$0.63)	\$0.67
Total increase (decrease) from operations²	(\$1.37)	\$1.01	\$2.10	\$0.19	\$1.69
Distributions:					
From income (excluding dividends)	\$0.39	\$0.41	\$0.29	\$0.29	\$0.24
From dividends	-	-	-	-	-
From capital gains	\$0.08	\$0.25	-	-	-
Return of capital	-	-	-	-	-
Total Annual Distributions³	\$0.47	\$0.66	\$0.29	\$0.29	\$0.24
Net Assets as at December 31 of year shown	\$16.83	\$18.84	\$18.51	\$16.66	\$16.77

1 This information is derived from the Fund’s audited annual 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 closing market prices, where the closing market price falls between 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 paid in cash, reinvested in additional units of the fund or both.

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Total net asset value (000’s) ¹	\$43,499	\$58,465	\$59,158	\$54,277	\$51,369

Number of units outstanding ¹	2,584,916	3,102,550	3,195,606	3,257,219	3,063,241
Management expense ratio ²	1.26%	1.27%	1.28%	1.30%	1.30%
Management expense ratio before waivers or absorptions	1.26%	1.27%	1.28%	1.32%	1.32%
Trading expense ratio ³	0.08%	0.05%	0.09%	0.08%	0.06%
Portfolio turnover rate ⁴	23.73%	20.36%	29.57%	29.73%	19.56%
Net asset value per unit	\$16.83	\$18.84	\$18.51	\$16.66	\$16.77

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

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 management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. For the period ended December 31, 2018, a breakdown of the services received in consideration of the management fees as a percentage of the management fees is as follows:

Fund	Management Fee (% of NAV)	Distribution Costs (% of Management Fee)	Other* (% of Management Fee)
Core Equity Fund	1.00	2.34	97.66

* Includes investment advisory fees, administration fees, and other operating fees

The Fund's management fees were used by CWB WM to pay for the cost of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sales of investment portfolio, providing other services, and compensating CWB WM for acting as the trustee of the Fund. CWB WM also used the management fee to fund trailing commissions and any other compensation to CWF whose clients invest in the Fund.

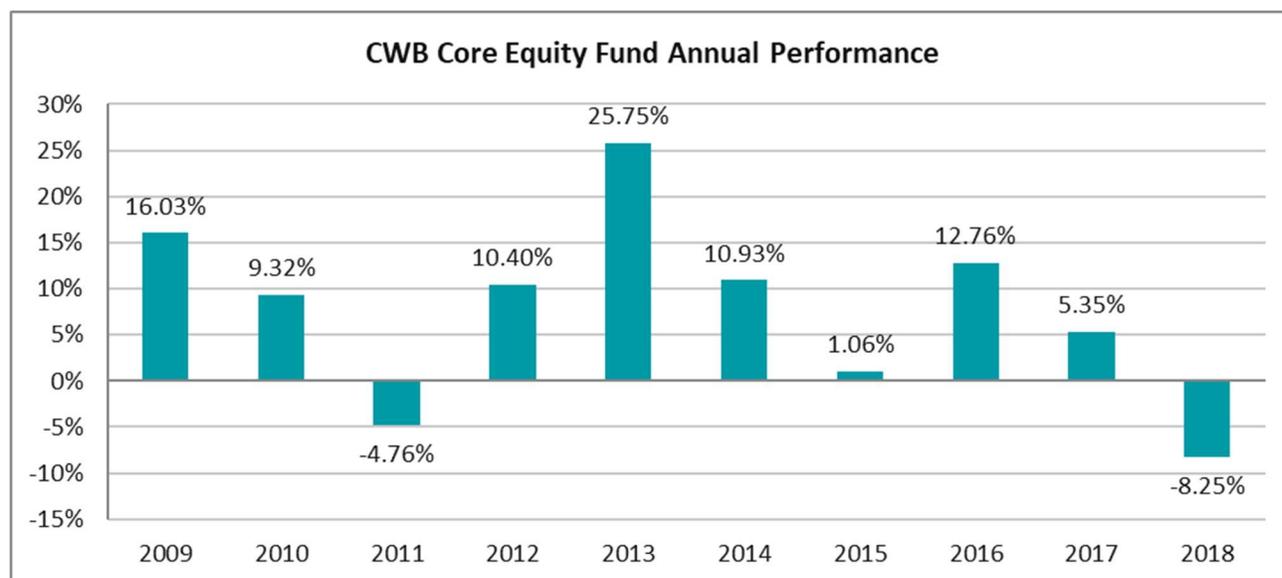
PAST PERFORMANCE

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 to December 31, 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 December 31 of the same year.



Annual Compound Returns

The following table displays the historical annual compounded total return of the Fund for the periods shown ending on December 31, 2018. Two general market indices, the S&P/TSX Composite Index and the S&P 500 Composite Index have also been added for comparison. The S&P/TSX Composite Index benchmark is included to measure the price performance of the broad Canadian equity market. The S&P 500 Composite Index benchmark is included to measure the price performance of the broad U.S. equity market. All index returns are calculated in Canadian dollars on a total return basis, meaning that all distributions are reinvested.

	CWB Core Equity Fund	Internal Core Equity Fund Benchmark ⁶	S&P/TSX Composite Total Return Index	S&P 500 Composite Total Return Index (\$CAD)
One Year	-8.25%	-4.49%	-8.89%	3.99%
Three Year	2.91%	5.95%	6.37%	8.70%
Five Year	4.09%	6.86%	4.05%	14.00%
Ten Year	7.44%	9.07%	7.92%	14.38%

SUMMARY OF INVESTMENT PORTFOLIO

The following table summarizes how the Fund's assets were distributed across various sectors as at December 31, 2018.

Sector	Percentage of Net Asset Value
Cash & short-term investments	1.4%
Other net assets	-0.4%

⁶ The Internal Core Equity Fund Benchmark is comprised of 5% of the FTSE/TMX 91 day T-bill Index, 47.5% of the S&P/TSX Composite TR Index, 23.8% of the S&P 500 Composite TR Index \$CAD and 23.8% of the MSCI EAFE TR Index \$CAD.

Financials	21.5%
Energy	13.0%
Industrials	12.2%
Information technology	10.6%
Consumer staples	8.4%
Health care	8.3%
Telecom services	7.1%
Utilities	6.3%
Materials	6.9%
Consumer discretionary	4.7%
Real estate	0.0%
Total	100.00%

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 December 31, 2018.

Toronto Dominion Bank	3.9%	Anthem Inc.	1.9%
Royal Bank of Canada	3.7%	TransCanada Corp.	1.8%
Canadian National Railway Co.	2.7%	Agnico Eagle Mines Ltd.	1.7%
Bank of Nova Scotia	2.5%	Aflac Corp.	1.7%
BCE Inc.	2.3%	Pembina Pipeline Corp.	1.6%
Telus Corp.	2.3%	Intel Corp.	1.6%
Alimentation Couche-Tard Inc., Class B	2.3%	Cisco Systems Inc.	1.6%
Emera Inc.	2.2%	Exxon Mobil Corp.	1.6%
Fortis Inc.	2.1%	Canadian Tire Corp., Class A	1.6%
Microsoft Corp.	2.1%	Loblaw Companies Ltd.	1.6%
Suncor Energy Inc.	2.1%	Johnson & Johnson	1.6%
Entergy Corp.	2.0%	Canadian Imperial Bank of Commerce	1.6%
CGI Group Inc., Class A	1.9%		

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.