

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2019

CWB Onyx Diversified 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

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 FUND PERFORMANCE

Results of Operations

In the first six months of 2019 (the “period”), the CWB Onyx Diversified Income Fund’s (the “Fund”) net assets increased by \$2,362,398 to \$104,948,864. This reflects an increase of \$5,351,060 from investment performance, distributions to unitholders of \$1,574,570, and net withdrawals of \$1,414,092.

Series A of the Fund returned 4.8% over the period versus the Fund’s internal benchmark, a combination of the FTSE/TMX Universe Bond Index¹ and S&P/TSX Preferred Share TR Index², which returned 5.8% over the period. Unlike the benchmark, the Fund’s return is calculated after the deduction of fees and expenses. Returns for Series O of the Fund may vary, largely due to differences in fees and expenses.

The Fund added value from an over-allocation to non-sovereign bonds, as spreads narrowed during the first six months of the year. The fund was weighted more toward shorter term bonds vs. the benchmark. This shorter duration detracted from performance as the yield curve moved downward, benefitting longer duration bonds more. The Fund’s exposure to preferred shares negatively affected performance; although preferred shares performed positively during the first quarter of the year, they were down almost 1% by the end of the period.

We have lengthened the Fund’s duration since the beginning of the period, as trade and geopolitical tensions cast doubt on further upward movements in interest rates. We continue to emphasize provincial and corporate debt within the Fund’s holdings, anticipating a fair return for the higher risk.

Recent Developments

Market Developments

Despite economic uncertainties, the Canadian economy has remained resilient throughout the period. While expectations for Canadian growth continue to moderate, the Bank of Canada remains cautious citing ongoing geopolitical uncertainties worldwide, including the U.S. trade war. Given this, the Canadian yield curve has inverted, an indicator of a possible recession in the next 6-18 months from the time of inversion. Despite the Bank of Canada’s outlook for the economy and the inversion of the curve, the market does not expect the Bank to cut rates until the end of the year, which indicates that the Bank does not see a recession on the horizon. This should be neutral to positive for Canadian Equities.

Both the U.S. and Canadian bond markets have performed very well this year. Yields fell significantly on both sides of the border on all lengths of maturities, and non-sovereign bond spreads narrowed to levels last seen before the October 2018 market downturn. Ordinarily, bond yield movements of this magnitude would indicate expected weakness in the economy, and consequently, weakness in the equity markets. However, due to a change in market sentiment towards central bank interest rate movements, both equity and bond markets have rallied during the period, diverging greatly from previous trends.

¹ The FTSE/TMX Universe Overall Bond Index is designed to be a broad measure of the Canadian investment-grade fixed income market.

² The S&P/TSX Preferred Share Index is an index designed to track the performance of the Canadian preferred share market, whose components trade on the Toronto Stock Exchange.

Related Party Transactions

CWB Wealth Management Ltd. (“CWB WM” or “we”) 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 McLean & Partners Wealth Management Ltd. (“CWB M&P”) acts as a sub-advisor to the Fund. CWB M&P is a subsidiary of CWB WM. As a sub-advisor, CWB M&P is paid a fee for their services. This fee is paid by the Manager directly and does not increase the management fees paid by the Fund.

The CWB Onyx Managed Solution Funds, comprised of the CWB Onyx Conservative Solution, CWB Onyx Balanced Solution and the CWB Onyx Growth Solution, invest in Series O units of the Fund. As of June 30, 2019, 18.5% of the Series O units of the Fund are held by the CWB Onyx Balanced Solution, 6.7% of the Series O units of the Fund are held by the CWB Onyx Conservative Solution, and 6.7% of the Series O units of the Fund are held by the CWB Onyx Growth Solution.

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 periods since inception and for the period ended June 30, 2019.

CWB Onyx Diversified Income Fund's Net Assets per Unit¹

	Series A June 30 2019	Series O June 30 2019	Series A 2018	Series O 2018	Series A 2017	Series O 2017	Series A 2016*	Series O 2016*
Net Assets, beginning of period	\$9.86	\$9.98	\$10.17	\$10.26	\$10.15	\$10.18	\$10.00 [†]	\$10.00 [†]
Increase (decrease) from operations:								
Total revenue	\$0.17	\$0.17	\$0.59	\$0.30	\$0.30	\$0.31	\$0.10	\$0.30
Total expenses	(\$0.06)	-	(\$0.11)	-	(\$0.13)	-	(\$0.11)	-
Realized gains (losses) for the period	\$0.02	\$0.02	(\$0.16)	(\$0.08)	(\$0.04)	(\$0.04)	(\$0.01)	(\$0.03)
Unrealized gains (losses) for the period	\$0.35	\$0.36	(\$0.52)	(\$0.16)	(\$0.12)	(\$0.03)	\$1.38	-
Total increase (decrease) from operations²	\$0.48	\$0.55	(\$0.20)	\$0.06	\$0.01	\$0.24	\$1.36	\$0.27
Distributions:								
From income (excluding dividends)	\$0.10	\$0.17	\$0.21	\$0.31	\$0.21	\$0.28	\$0.19	\$0.25
From dividends	-	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-	-	-
Total Annual Distributions³	\$0.10	\$0.17	\$0.21	\$0.31	\$0.21	\$0.28	\$0.19	\$0.25
Net Assets as at last date of period shown	\$10.24	\$10.36	\$9.86	\$9.98	\$10.17	\$10.26	\$10.15	\$10.18

- 1 This information is derived from the Fund's unaudited interim or audited annual financial statements (as applicable). 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 paid in cash, reinvested in additional units of the Fund or both.

* Data reported represents results from the commencement of operations to December 31 of the year indicated.

[†] Initial offering price.

Ratios and Supplemental Data

(Inception February 2, 2016)	Series A June 30 2019	Series O June 30 2019	Series A 2018	Series O 2018	Series A 2017	Series O 2017	Series A 2016	Series O 2016
Total net asset value (000's) ¹	\$22,020	\$82,928	\$22,120	\$80,466	\$2,664	\$52,919	\$3	\$15,874
Number of units outstanding ¹	2,150,931	8,004,361	2,243,349	8,060,697	262,007	5,157,662	300	1,559,043
Management expense ratio ²	1.17%	-	1.20%	-	1.25%	-	1.25%	-
Management expense ratio before waivers or absorptions	1.17%	-	1.20%	-	1.41%	-	2.02%	-
Trading expense ratio ³	-	-	-	-	0.01%	0.01%	0.02%	0.02%
Portfolio turnover rate ⁴	14.57%	14.57%	50.39%	50.39%	43.53%	43.53%	40.08%	40.08%
Net asset value per unit	\$10.24	\$10.36	\$9.86	\$9.98	\$10.17	\$10.26	\$10.15	\$10.18

- 1 This information is provided as at December 31 of the year shown unless otherwise stated.
- 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 an annual management fee of 1.00% of the net asset value of Series A units of the Fund.

The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. 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. A further breakdown of the management fee is not available for the interim period.

Series O management fee is negotiated and paid directly by each investor. Series O management fee is not to exceed the Series A management and advisory fee of the Fund.

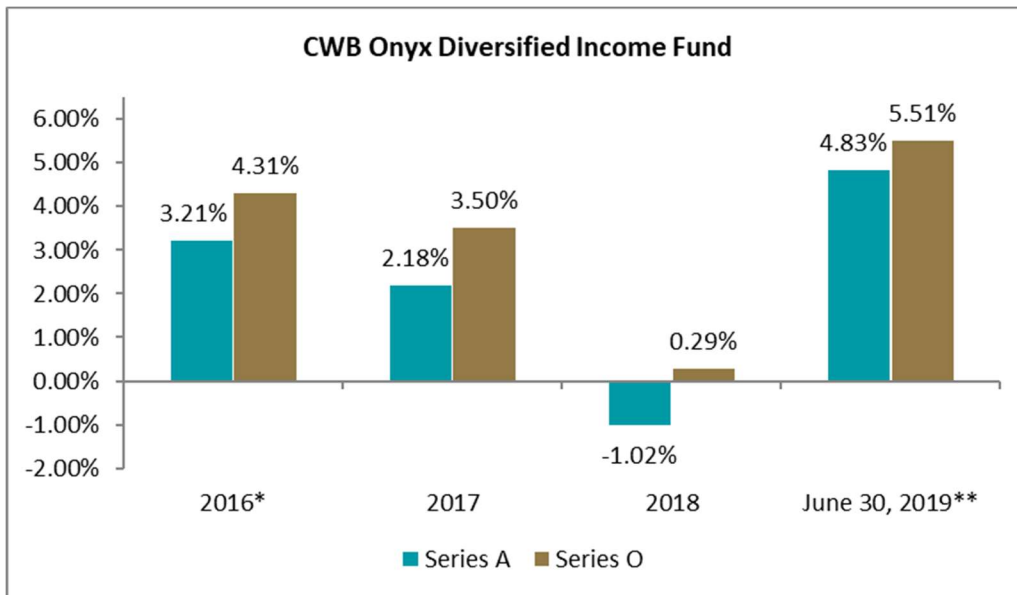
PAST PERFORMANCE

The past performance of the Fund is set out in the following chart. The performance information 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 for each of the past three years and for the six month period ending June 30, 2019 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 February 10, 2016 (commencement of operations) to December 31, 2016.

**Return from January 1, 2019 to June 30, 2019 not annualized.

SUMMARY OF INVESTMENT PORTFOLIO

The following table summarizes how the Fund's assets were distributed across various sectors as at June 30, 2019.

Sector	% of Net Asset Value
Cash and Short-term Investments	3.4%
Other Net Assets	(0.5%)
Domestic bonds and debentures	
Corporate	46.8%
Federal	19.4%
Provincial	13.2%
Foreign bonds and debentures	9.4%
Preferred Shares	8.3%
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, 2019.

Canada Housing Trust 1.933% Mar 15/24	5.7%	Bank of Montreal 3.190% Mar 01/28	1.9%
Cash and Short-term Investments	3.4%	Omers Realty Corp. 3.244% Oct 04/27	1.9%
Canada Housing Trust 1.150% Dec 15/21	3.2%	Province of Ontario 4.600% Jun 02/39	1.7%
Government of Canada 3.250% Jun 01/21	3.0%	Province of Nova Scotia 4.900% Jun 01/35	1.7%
Canadian National Railway 3.200% Jul 31/28	2.9%	Government of Canada 0.500% Dec 01/50	1.2%
Government of Canada 3.500% Jun 01/20	2.9%	Metro Inc. 3.390% Dec 06/27	1.2%
Province of Quebec 2.750% Sep 01/25	2.7%	Nova Scotia Power Inc. 5.610% Jun 15/40	1.1%
Province of British Columbia 3.300% Dec 18/31	2.4%	Shaw Communications Inc. 6.750% Nov 09/39	1.0%
Province of Saskatchewan 2.550% Jun 02/26	2.1%	Province of New Brunswick 5.650% Dec 27/28	1.0%
Greater Toronto Airports 7.100% Jun 04/31	2.1%	TELUS Corp. 4.750% Jan 17/45	1.0%
Canadian Utilities Inc. 5.183% Nov 21/35	2.1%	Rogers Communications Inc. 6.560% Mar 22/41	1.0%
Canadian Natural Resources 3.420% Dec 01/26	2.1%	Canadian Natural Railway Co. 3.000% Feb 08/29	1.0%
407 International Inc. 2.430% May 04/27	2.0%		

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: info@cwwealth.com or CWB Wealth Management Ltd., Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6.