

# INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2019

## *CWB Onyx Global Equity 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](http://www.cwbwealth.com), or by visiting SEDAR at [www.sedar.com](http://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 Global Equity Fund’s (the “Fund”) net assets increased by \$3,706,062 to \$58,115,711. This reflects an increase of \$5,551,219 from investment performance, distributions to shareholders of \$965,730, and net withdrawals of \$879,427.

Series A of the Fund returned 8.9% over the period versus the Fund’s benchmark, a combination of the S&P 500 TR Index \$CAD<sup>1</sup> and the MSCI All Country World Index ex-USA TR \$CAD<sup>2</sup>, which returned 11.8% 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.

Following the worst fourth quarter since 2008, the S&P 500 index rebounded and hit a new high in the first six months of 2019. Despite a weakening U.S. dollar, all U.S. sectors have posted positive returns year to date. The Health Care sector was the worst performing sector (+8.1%), in part due to most Democratic presidential candidates advocating for some degree of a single-payer health care system.

Stock selection within the U.S. Financials and Health Care sectors added value to the Fund, despite these two sectors underperforming the market. A slight over weighting combined with favorable stock selection in the Utilities sector also contributed to the Fund’s performance. Primarily due to disappointing results from one of the fund’s holdings, stock selection within the Information Technology sector detracted from the Fund’s performance.

The beginning of the period saw the Fund’s international holdings perform well. This was in part due to a focus on quality companies in the Fund. A change in sentiment towards the end of the period saw the cyclical nature of some of the Fund’s holdings detract from performance, as fear of a global recession became elevated.

### Recent Developments

#### Market Developments

The U.S. economy performed largely in line with expectations throughout the period. However, strong employment rates coupled with stubbornly low inflation caused uncertainty regarding interest rate changes. Market consensus is that the United States Federal Reserve Board (“the Fed”) will lower interest rates in 25 basis point<sup>3</sup> increments multiple times before the end of 2019, in hopes of extending the current economic expansion. Consequently, the U.S. treasury yield curve has inverted, an indicator of a possible recession in the next 6-18 months from the time of inversion. However, recent central bank intervention in the markets through programs such as quantitative easing brings the effectiveness of this indicator into question.

The beginning of 2019 saw optimism on U.S. and China trade relations, lowered expectations of a hard Brexit, and accommodative central bank policy, resulting in a reversal of the downward trend in global markets observed in December. Investors worldwide flocked to aggressive and cyclical sectors, moving away from conservative and defensive investments. As a result, most international markets were positive for the first few months of the year, with developed markets outperforming emerging market equities. As talks broke down over the U.S. and China trade relations and increased likelihood of monetary stimulus

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<sup>1</sup> The S&P 500 Composite Index is an index of the trading prices of the shares of the 500 top US companies.

<sup>2</sup> The MSCI All Country World Index ex-USA is an index of the trading prices of the shares of companies across developed and emerging markets worldwide, excluding the U.S. – See back for full disclosure

<sup>3</sup> One basis point is equal to one hundredth of one percent.

from the Fed, the market took a different turn towards the end of the period. Despite enthusiasm over aggressive equities earlier in the period, the market shifted away from cyclical stocks, and returned to stable 'safe' investments.

### **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, 26.0% of the Series O units of the Fund are held by the CWB Onyx Balanced Solution, 18.7% of the Series O units of the Fund are held by the CWB Onyx Growth Solution, and 2.0% of the Series O units of the Fund are held by the CWB Onyx Conservative 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 1% 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 Global Equity Fund's Net Assets per Unit<sup>1</sup>**

	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	\$12.16	\$12.47	\$13.40	\$13.70	\$12.28	\$12.43	\$10.00 <sup>†</sup>	\$10.00 <sup>†</sup>
<b>Increase (decrease) from operations:</b>								
Total revenue	\$0.22	\$0.23	\$0.31	\$0.34	\$0.39	\$0.42	\$0.38	\$0.30
Total expenses	(\$0.13)	-	(\$0.28)	-	(\$0.29)	-	(\$4.08)	-
Realized gains (losses) for the period	\$0.07	\$0.07	(\$0.24)	(\$0.28)	(\$0.08)	(\$0.08)	\$0.07	\$0.06
Unrealized gains (losses) for the period	\$0.97	\$0.98	(\$1.14)	(\$1.32)	\$1.11	\$1.24	\$6.30	\$1.87
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$1.13</b>	<b>\$1.28</b>	<b>(\$1.35)</b>	<b>(\$1.26)</b>	<b>\$1.13</b>	<b>\$1.58</b>	<b>\$2.67</b>	<b>\$2.23</b>
<b>Distributions:</b>								
From income (excluding dividends)	\$0.11	\$0.24	\$0.07	\$0.32	\$0.18	\$0.34	\$0.15	\$0.21
From dividends	-	-	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-	\$0.02	\$0.02
Return of capital	-	-	-	-	-	-	-	-
<b>Total Annual Distributions<sup>3</sup></b>	<b>\$0.11</b>	<b>\$0.24</b>	<b>\$0.07</b>	<b>\$0.32</b>	<b>\$0.18</b>	<b>\$0.34</b>	<b>\$0.17</b>	<b>\$0.23</b>
<b>Net Assets as at last date of period shown</b>	<b>\$13.14</b>	<b>\$13.49</b>	<b>\$12.16</b>	<b>\$12.47</b>	<b>\$13.40</b>	<b>\$13.70</b>	<b>\$12.28</b>	<b>\$12.43</b>

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.

<sup>†</sup> 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) <sup>1</sup>	\$4,500	\$53,616	\$4,542	\$49,868	\$3,787	\$37,193	\$148	\$10,881
Number of units outstanding <sup>1</sup>	342,396	3,973,301	373,671	4,000,042	282,533	2,714,628	12,028	875,716
Management expense ratio <sup>2</sup>	2.03%	-	2.08%	-	2.15%	-	2.15%	-
Management expense ratio before waivers or absorptions	2.05%	-	2.18%	-	2.37%	-	3.12%	-
Trading expense ratio <sup>3</sup>	0.07%	0.07%	0.15%	0.15%	0.20%	0.20%	0.35%	0.35%
Portfolio turnover rate <sup>4</sup>	20.78%	20.78%	31.35%	31.35%	7.56%	7.56%	8.06%	8.06%
Net asset value per unit	\$13.14	\$13.49	\$12.16	\$12.47	\$13.40	\$13.70	\$12.28	\$12.43

- 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 1.85% 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.

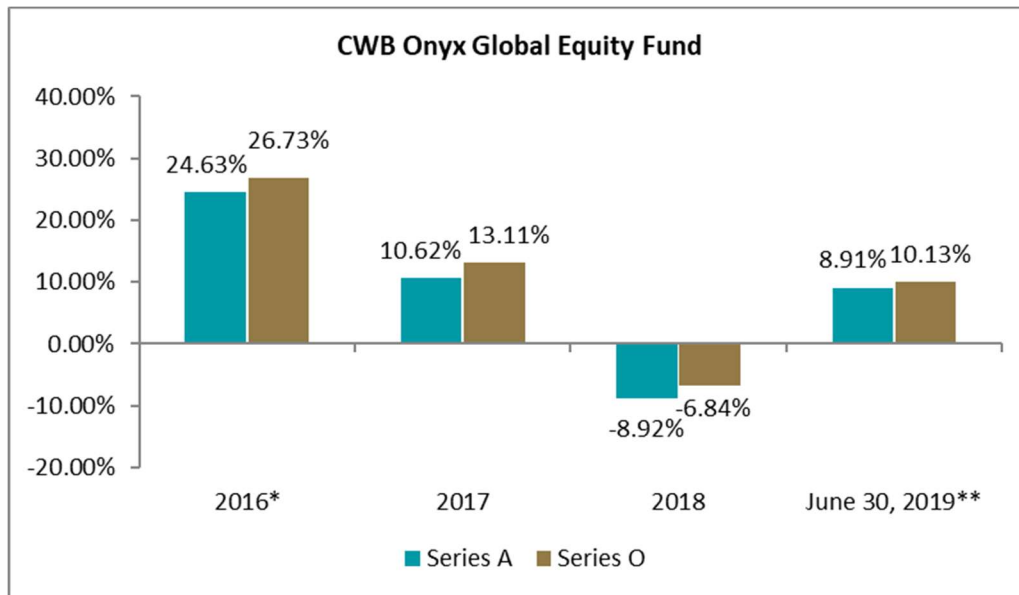
**PAST PERFORMANCE**

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.

<b>Sector</b>	<b>% of Net Asset Value</b>
Cash and Short-term Investments	5.2%
Other Net Assets	0.3%
<b>U.S. Equities</b>	
Information technology	8.7%
Financials	7.6%
Health care	7.2%
Telecommunication services	4.4%
Consumer discretionary	4.4%
Industrials	4.0%
Energy	3.5%
Consumer staples	3.1%
Materials	2.3%
Utilities	1.5%
<b>Global Equities</b>	
China	8.7%
France	8.3%
Germany	7.5%
Italy	5.2%
United Kingdom	3.8%
Ireland	2.7%
Switzerland	2.5%
Japan	1.8%
Luxembourg	1.8%
Brazil	1.8%
Netherlands	1.3%
India	1.2%
Spain	0.6%
Sweden	0.6%
<b>Total</b>	<b>100.0%</b>



## Top 25 Holdings

The following table lists the twenty-five largest equity holdings of the Fund (based on percentage of net asset value) as at June 30, 2019.

Cash and Short-term Investments	5.2%	Newmont Goldcorp Corp.	1.3%
Microsoft Corp.	2.5%	LVMH	1.3%
Apple Inc.	2.1%	Galaxy Entertainment Group	1.3%
Exxon Mobil Corp.	1.6%	ASML Holding N.V.	1.3%
Johnson & Johnson	1.6%	Lanxess AG	1.3%
Entergy Corp.	1.5%	Metlife Inc.	1.2%
Enel SpA	1.5%	Anthem Inc.	1.2%
Cisco Systems Inc.	1.4%	Pfizer Inc.	1.2%
Sony Corp.	1.4%	Visa Inc.	1.2%
Verizon Communications Inc.	1.4%	Cummins Inc.	1.1%
Walmart Inc.	1.4%	Gilead Sciences Inc.	1.1%
Nestle SA	1.4%	Walt Disney Co.	1.1%
Aflac Inc.	1.4%		

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

### **Additional Disclosures on Benchmarks**

The MSCI All Country World Index ex-USA is an index of the trading prices of the shares of companies across developed and emerging markets worldwide, excluding the U.S. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent.

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