



LDIC North American Infrastructure Fund

Management Report of Fund Performance

June 30, 2019

Class A units and Class F units of LDIC North American Infrastructure Fund

LDIC North American Infrastructure Fund

For the period ended June 30, 2019

All figures are reported in Canadian dollars unless otherwise noted.

This management report of fund performance contains financial highlights but does not contain either the complete interim financial report or annual financial statements of the investment fund. Financial statements may be requested at no cost, by contacting LDIC Inc. in one of the methods below.

Unitholders may contact LDIC Inc. to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure by calling 416-362-4141, by writing to us at 130 King Street West, Suite 2130, Toronto, ON, M5X 1E2 or by visiting our website at www.ldic.ca (email at info@ldic.ca), or SEDAR at www.sedar.com.

Investment Objectives and Strategies

The investment objective of the Fund is to provide long-term capital appreciation combined with regular income, by investing primarily in equity securities and debt investments relating to infrastructure and related companies based in North America.

The prior approval of unitholders is required before a fundamental change is made to the investment objective the Fund. This approval must be given by a resolution passed by a majority of the votes cast at a meeting of the unitholders of the Fund.

In order to achieve its investment objective, the Fund intends to invest primarily in the equity securities of infrastructure and related companies based in North America.

Infrastructure assets are broadly defined as the basic facilities, services, and installations needed for the functioning of a community or society. The infrastructure sector includes, but is not limited to, investment in the following areas:

Transportation	Pipeline, railroad, truck/ship fleets, airports, and seaports.
Distribution	Electrical power networks, water utilities generation plants, electrical grids, substations
Storage	Storage terminals, manufacturing facilities & underground storage.
Industrials	Refineries, utilities, midstream processing, upgraders, engineering, chemical manufacturing & processing.
Services	Construction, equipment, drilling, social, real estate, housing & retail.
Production & Expl.	Oil production, natural gas production, coal, hydroelectricity, renewables & alternative energy production such as wind, solar & geothermal.

Techniques such as fundamental analysis may be used to assess the growth and value potential of an investment which requires evaluating the financial condition and management of each company, its industry and the overall economy. For more details regarding the use of investment strategies, refer to the Simplified Prospectus filed on SEDAR (www.sedar.com).

Risk

As of June 30, 2019, the risk classification of the Fund changed from “Medium to High’ to ‘Medium’ as described in the prospectus (items 9 and 10 of Part B of Form 81-101F1 as filed on www.Sedar.com). The main risk to investors is the potential negative impact a rise in interest rates may have on dividend paying securities within the theme such as the Pipelines sector. Rising interest rates can translate into reduced valuations for companies that have low growth business that distribute the majority of its income to shareholders in the form of dividends. To minimize such impacts, the fund continues to target securities of companies that are projected to exhibit significant relative growth, however there can be no assurances that the growth will materialize or that the overall market will not cause the price of such securities to fluctuate.

The Fund is suitable for investors who are seeking a potential for capital appreciation, have medium risk tolerance and have a medium to long-term investing horizon. However, the level of risk associated with any particular investment depends largely on an investor's personal circumstances. Investors can invest a component of their total portfolio in the Fund to provide portfolio diversification. Investors should consider their personal investment profile and consult their financial advisor before making a decision to invest in the Fund.

Result of Operations

The Fund’s performance for the six months period ended June 30, 2019 was 10.5% for Class A and 11.0% for Class F. The benchmark return was 4.6% over the same period. The benchmark is a blend of 70% S&P/TSX Capped Energy Index and 30% S&P Composite 1500 Energy Index.

For the first six months of 2019, the Fund outperformed its benchmark by more than double. This outperformance is a result of individual stock selection and a focus on more conservative, dividend paying equities which performed well in the period. The benchmark has a weighting to the S&P Energy Composite 1500 Index which contains producers. In the period the Fund was underweight energy producers which assisted its outperformance.

Recent Developments

The Fund has focused on a diverse group of investments in the infrastructure space.

The Fund continues to collect healthy dividend income from its securities held. Currently the fund has approximately a 3.6% running yield (see chart below for top 9 dividend yields). The Fund has a 16.7% exposure to the US and continues to invest capital in global companies focusing on infrastructure and alternative energy, including:

- Brookfield Infrastructure Partners (BIP) operates utilities, transport, energy, and communications infrastructure assets in North and South America, Australia, and Europe.
- Algonquin Power & Utilities (AQN) owns and has interests in a diverse portfolio of renewable power generation and sustainable infrastructure assets across North America.
- Innergex Renewable Energy (INE) operates as an independent renewable power producer.
- Pembina Pipeline is an energy pipeline company based in Western Canada.

Current Dividend Yield:

Ticker	Company Name	Dividend Yield
CHR	Chorus Aviation Inc	6.14%
GEI	Gibson Energy Inc	5.73%
PPL	Pembina Pipeline Corp	4.89%
INE	Innergex Renewable Energy Inc	4.63%
BIP-U	Brookfield Infrastructure Partners LP	4.52%
AQN	Algonquin Power & Utilities Corp	4.38%
BLX	Boralex Inc	3.30%
TWM	Tidewater Midstream and Infrastructure Ltd	3.20%
PKI	Parkland Fuel Corp	2.73%

Related Party Transactions

The Manager of the Fund is LDIC Inc. The Manager provides investment and administrative services to the Fund. In consideration for these services the Manager receives a fee based on a percentage of the Net Assets of the Fund calculated daily and payable monthly, as follows:

Class A - 2.00% per annum

Class F - 1.00% per annum

The Fund will pay a performance fee to LDIC Inc., plus applicable taxes, at the end of each fiscal year if applicable. The performance fee will be 10% of the amount by which the class NAV at the end of the fiscal year (adding back the amounts of any distributions paid on the units of the Fund) (the "ending NAV") exceeds the target NAV. The target NAV is calculated by multiplying the Class NAV, net of performance fees paid, as at the last performance fee payment date (the "beginning NAV") by the sum of one plus the return of the Fund's "benchmark" (the "benchmark return") over the same period.

As of June 30, 2019, the Manager of the Fund and certain Directors and Officers of the manager held a total of 172,071 units of the F Class units of the Fund.

Management Fees

All management fees are based on the NAV of a class of units, calculated on each Valuation Date and paid monthly.

The management fee for the fund is 2.00% for Class A, and 1.00% for Class F. The breakdown of the services received in consideration of the management fee, as a percentage of the management fee is:

	Class A	Class F
Management of Fund	37.5%	100%
Trailing commission to Broker	62.5%	N/A

Financial Highlight

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for period ended June 30, 2019 and for the past five periods ended December 31, as applicable. In the year fund or a series is established, 'Period' represents inception to December 31 of that year. Per unit data is derived from the Fund's financial statements. Ratios and supplemental data are derived from the Fund's Net Asset Value.

The Fund's Net Assets per Unit (\$)⁽¹⁾

	CLASS A					
	2019	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$	\$
Net Assets, beginning of period	8.16	10.74	10.63	9.37	10.91	10.99
Increase (decrease) from operations:						
Total revenue	0.21	0.25	0.29	0.39	0.49	0.38
Total expenses	(0.35)	(0.56)	(0.57)	(0.47)	(0.48)	(0.54)
Realized gains (losses) for the period	0.39	1.22	0.46	(0.49)	(0.76)	(0.01)
Unrealized gains (losses) for the period	0.62	(2.79)	0.07	2.03	(0.44)	(0.54)
Total increase (decrease) from operations⁽²⁾	0.87	(1.88)	0.25	1.46	(1.19)	(0.71)
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.08)	-	-	-	-	(0.02)
From capital gains	-	-	-	-	-	-
Return of capital	-	(0.30)	(0.30)	(0.30)	(0.30)	(0.28)
Total annual distributions⁽³⁾	(0.08)	(0.30)	(0.30)	(0.30)	(0.30)	(0.30)
Net Assets, end of period	8.94	8.16	10.74	10.63	9.37	10.91

	CLASS F					
	2019	2018	2017	2016	2015	2014
	\$	\$	\$	\$	\$	\$
Net Assets, beginning of period	8.59	11.22	11.01	9.60	11.10	11.09
Increase (decrease) from operations:						
Total revenue	0.22	0.29	0.30	0.41	0.51	0.38
Total expenses	(0.33)	(0.49)	(0.50)	(0.38)	(0.39)	(0.44)
Realized gains (losses) for the period	0.41	1.22	0.48	(0.53)	(0.80)	(0.02)
Unrealized gains (losses) for the period	0.84	(3.29)	0.19	2.16	(0.49)	(0.36)
Total increase (decrease) from operations⁽²⁾	\$ 1.14	\$ (2.27)	\$ 0.47	\$ 1.66	\$ (1.17)	\$ (0.44)
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.08)	-	-	-	-	(0.02)
From capital gains	-	-	-	-	-	-
Return of capital	-	(0.30)	(0.30)	(0.30)	(0.30)	(0.28)
Total annual distributions⁽³⁾	(0.08)	(0.30)	(0.30)	(0.30)	(0.30)	(0.30)
	\$	\$				\$
Net Assets, end of period	9.46	8.59	11.22	11.01	9.60	11.10

(1) This information is derived from the Fund's audited annual financial statements and unaudited interim financial statements. For financial years beginning on or after January 1, 2014, the financial highlights were derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). For the financial year ended December 31, 2013, the financial highlights numbers were restated to comply with IFRS reporting.

(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 year.

(3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.

(4) Units of Class A were first issued on May 10, 2013 and Class F were first issued on April 26, 2013.

Ratios and Supplemental Data

	CLASS A					
	June 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total Net Asset Value (\$) ⁽¹⁾	722,910	678,526	4,283,137	5,766,657	6,115,422	11,144,636
Number of units outstanding ⁽¹⁾	80,855	83,204	398,723	542,667	652,527	1,021,276
Management expense ratio ^{(2) (5)}	7.05%	4.59%	5.18%	4.26%	4.33%	4.27%
Management expense ratio before waivers or absorption ^{(2) (5)}	5.53%	4.59%	5.18%	4.26%	4.33%	4.27%
Management expense ratio excluding performance fees ⁽⁵⁾	5.53%	4.47%	3.42%	4.14%	3.20%	3.25%
Trading expense ratio ^{(3) (5)}	0.73%	0.81%	0.40%	0.56%	0.24%	0.32%
Portfolio turnover rate ⁽⁴⁾	95.17%	100.23%	85.41%	128.52%	64.53%	57.97%
Net Asset Value per unit (\$) ⁽⁶⁾	8.94	8.16	10.74	10.63	9.37	10.91

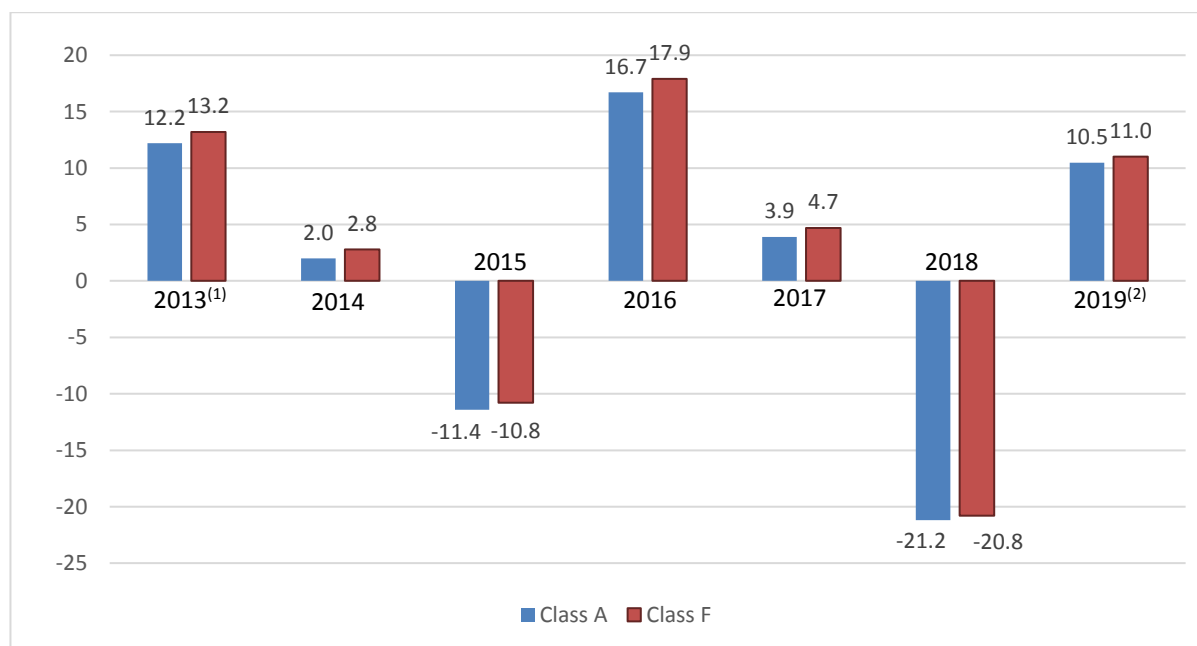
	CLASS F					
	June 30, 2019	Dec 31, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014
Total Net Asset Value (\$) ⁽¹⁾	3,006,903	3,764,821	7,393,465	7,980,413	9,088,342	20,011,076
Number of units outstanding ⁽¹⁾	317,787	438,122	659,071	725,081	946,469	1,802,052
Management expense ratio ^{(2) (5)}	6.36%	3.88%	4.28%	3.21%	3.37%	3.34%
Management expense ratio before waivers or absorption ^{(2) (5)}	4.67%	3.88%	4.28%	3.21%	3.37%	3.34%
Management expense ratio excluding performance fees ⁽⁵⁾	4.67%	3.69%	2.43%	3.06%	2.13%	2.12%
Trading expense ratio ^{(3) (5)}	0.73%	0.81%	0.81%	0.56%	0.24%	0.32%
Portfolio turnover rate ⁽⁴⁾	95.17%	100.23%	100.23%	128.52%	64.53%	57.97%
Net Asset Value per unit (\$)	9.46	8.59	11.22	11.01	9.60	11.10

1. The information is provided as at June 30 and December 31 of the period(s) shown, as applicable.
2. Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs before income taxes) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the year. The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated any time without notice to unitholders.
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 year.
4. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 in a period, 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 the Fund.
5. Percentages are annualized
6. Units of Class A for this Fund were first issued on May 10, 2013 and Class F were first issued on April 26, 2013.

Past Performance

A) Annual Total Returns (%)

The bar chart shows the investment fund's performance of Class A and F of the Fund for each of the periods shown. The bar chart shows in percentage terms, how much an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.



- (1) Returns for Class A and Class F, are from May 10, 2013 and April 26, 2013 respectively, to December 31, 2013.
(2) Returns for Class A and Class F, are from December 31, 2018 to June 30, 2019.

About the Fund's Benchmark

S&P/TSX Capped Energy Index (70%)

The TSX Capped Energy Index is comprised of securities of Canadian energy sector issuers listed on the Toronto Stock Exchange ("TSX"), selected by Standard and Poors ("S&P") using its industrial classifications and guidelines for evaluating issuer capitalization, liquidity and fundamentals. The index is a modified cap-weighted index, whose equity weights are capped at 25%. In order to be eligible for inclusion in the index, a stock must be a constituent of the S&P/TSX Composite Index and classified in the applicable sector based on the Global Industry Classification Standard (GICS). As the Fund intends to maintain a higher weighting to Canadian equities, greater emphasis will be placed on a weighting to the TSX Capped Energy Index.

S&P Composite 1500 Energy Index Total Return (30%)

The S&P Composite 1500 Energy Index is a capitalization-weighted index comprised of securities of U.S. energy sector issuers that are classified as members of the GICS energy sector and who are selected by S&P using its guidelines for evaluating issuer capitalization, liquidity and fundamentals.

Summary of Investment Portfolio as at June 30, 2019

Top 25 Investments as of June 30, 2019

Top 25 Issuers	% of Fund's Net Asset Value
01 Algonquin Power & Utilities Corp.	11.7
02 Brookfield Infrastructure Partners LP	10.5
03 Tidewater Midstream and Infrastructure Ltd.	10.2
04 Chorus Aviation Inc.	9.9
05 Pembina Pipeline Corp.	9.8
06 Brookfield Asset Management Inc.	9.6
07 Parkland Fuel Corp.	9.5
08 Gibson Energy Inc.	5.1
09 Innergex Renewable Energy Inc.	4.3
10 Drone Delivery Canada Corp.	2.9
11 Boralex Inc.	2.0
12 CellCube Energy Storage, Warrants	0.0
13 Nextblock Global Limited	0.0
14 Engagement Labs Inc., Warrants	0.0
	<hr/>
	85.5
	<hr/> <hr/>

Total Net Asset Value of the Fund as at June 30, 2019: \$3,729,813

As of June 30, 2019 all investments were only long positions.

Sector Mix	% of Fund's Net Asset Value	Geographic Mix	% of Fund's Net Asset Value
Canadian Corporate Bonds	-	Canada	68.7
Energy	34.6	United States of America	16.7
Financials	9.6	Cash	22.5
Industrials	12.8	Net Other Assets/Liabilities	(7.9)
Utilities	28.4		<u>100.0</u>
Cash	22.5		
Net Other Assets/Liabilities	<u>(7.9)</u>		
	<u>100.0</u>		

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available. For more information please contact LDIC Inc. using the corporate information included below.

Corporate Information

Corporate Address

LDIC Inc.
The Exchange Tower, 130 King Street West, Suite 2130,
PO Box 399, Toronto, Ontario, M5X 1E2
416-362-4141
info@ldic.ca
www.ldic.ca

Auditors

Ernst & Young LLP
EY Tower
100 Adelaide Street West
PO Box 1, Toronto, Ontario, M5H 0B3

Legal Counsel

Wildboer Dellelce LLP
Suite 800 | Wildeboer Dellelce Place
365 Bay Street, Toronto, Ontario, M5H 2V1