



BRIDGEHOUSE

Independent Platform

Brandes Greystone Lazard Sionna Morningstar

2018 Interim Management Report
of Fund Performance

Brandes Corporate Focus Bond Fund



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BRANDES CORPORATE FOCUS BOND FUND

This interim management report of fund performance contains financial highlights but does not contain the complete interim or annual financial statements of the Fund. The interim or annual financial statements are in a separate booklet. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling toll-free 1.888.861.9998, by writing to us at Bridgehouse Asset Managers, 33 Yonge Street, Suite 300, Toronto, ON, M5E 1G4, or by visiting our website: www.bridgehousecanada.com or the SEDAR website: www.sedar.com.

You may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure relating to the Fund.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations from January 1, 2018 to June 30, 2018

Markets & Effect

Two notable events contributed to investor concerns: the first-ever meeting between the leaders of the United States and North Korea, which seemed to have escalated global trade-war rhetoric; and the Federal Reserve's decision to raise short-term interest rates by 25 basis points (bps) twice in the first half of the year.

Against this backdrop, Treasury yields moved higher. The two-year Treasury yield closed the second quarter at 2.53%, the highest in a decade, while the five-year Treasury yield closed at 2.74%, the highest since 2010. The 10-year Treasury yield briefly broke through the seemingly psychologically important 3% level, but was quickly driven back down by concerns that a potential global trade war would fuel a flight to safety, ending the period at 2.86%. The yield curve between the two-year and 10-year Treasury maturities flattened by 14 bps during the second quarter. The ending spread of 33 bps between the two-year and 10-year maturity Treasuries is the flattest the yield curve has been since the fall of 2007. With a flattening of the yield curve, the alarm bells started ringing about a possible yield-curve inversion (i.e., an environment in which long-term debt instruments have a lower yield than short-term debt instruments), as noted in articles from Bloomberg, The Wall Street Journal, The New York Times and CNBC, among others.

The Fund continued to benefit from a defensive tilt toward shorter-maturity corporate bonds. Brandes LP has been favoring short-maturity bonds for over a year now. Longer-maturity corporate bonds underperformed shorter maturities as their longer duration left them more exposed to rising interest rates and increased level of volatility during the period.

Performance

The Unhedged Series A units of the Fund outperformed its benchmark, gaining 4.7% versus a gain of 3.5% for the Barclays Capital Intermediate U.S. Credit Bond Index. The Hedged Series AH units of the Fund also outperformed its benchmark with Series AH units losing 0.5% versus a loss of 1.8% for the Barclays Capital Intermediate U.S. Credit Index (Hedged).

The Fund returns are after the deduction of fees and expenses while the benchmark returns do not include any costs of investing. See the "Past Performance" section for the returns of the other series, which may vary because of differences in management fees and expenses or timing of series introduction.

Asset Mix

At June 30 2018, the Fund consisted of 19.3% in U.S. Dollar denominated government fixed income securities and 81.6% in U.S. Dollar corporate denominated fixed income securities.

The securities holdings in the Fund had an average credit rating of A3 by Moody's at June 30, 2018, changed from A2 at December 31, 2017. The Fund's duration decreased to 3.42 years at June 30, 2018 from 3.49 years at December 31, 2017.

In line with its "bottom-up" investment philosophy, Brandes LP continues to build the portfolio on a security-by-security basis, as opposed to top-down.

Typically less than 5% of the Fund is allocated to any one security, at the time of purchase. Therefore, the addition or deletion of an individual security will generally not constitute a substantial change to the portfolio.

Flows & Fees

The Fund's Net Asset Value decreased to \$70.6 million at June 30, 2018, from \$82.5 million at December 31, 2017. Of this change, an increase of \$1.7 million was due to positive performance (net of investment income), and a decrease of \$13.6 million was due to outflows.

For Series A units, the annualized management expense ratio (“MER”) at June 30, 2018 is 1.53%, compared to 1.52% December 31, 2017, for the Unhedged series. The annualized MER for the Hedged series is 1.58% at June 30, 2018, unchanged from December 31, 2017.

Recent Developments

There are no known changes at this time to the strategic positioning of the Fund, the manager, or portfolio sub-advisor.

As noted in the simplified prospectus, this Fund is subject to large transaction risk because it has security holders who individually own more than 10% of the Fund. In order to reduce the impact of this risk to security holders, Bridgehouse asks, but does not require, large investors to provide notice when significant redemptions are being contemplated.

International Financial Reporting Standards

The Funds classify and measure financial instruments in accordance with IFRS 9 Financial Instruments (IFRS 9). Upon initial recognition, financial assets and financial liabilities are classified as FVTPL. Upon transition to IFRS 9, the Funds financial assets and financial liabilities previously classified as FVTPL under IAS39 continued to be categorized as fair value through profit and loss. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

Related Party Transactions

Manager and Portfolio Sub-Advisor

The Fund is managed and advised by Brandes Investment Partners & Co., operating as Bridgehouse Asset Managers (“Bridgehouse”) which provides (or arranges for) investment management, distribution, marketing and promotion of the Fund. Bridgehouse receives a monthly management fee based on the daily average net assets of each class of the Fund. In addition, Bridgehouse is entitled to be reimbursed by the Fund for certain operating expenses.

Brandes Investment Partners L.P. (“Brandes LP”) continued to be the Manager’s portfolio sub-advisor in respect of the Fund. Bridgehouse pays Brandes LP an investment management fee to provide the Fund with investment management services. Bridgehouse and Brandes LP are affiliates.

Forward-Looking Statements

This document may contain forward-looking statements relating to anticipated future events, results, performance, decisions, circumstances, opportunities, risks or other matters. Forward-looking statements are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as “may”, “will”, “should”, “could”, “expect”, “anticipate”, “intend”, “plan”, “believe”, or “estimate” or other similar expressions. These statements require us to make assumptions and are subject to inherent risks and uncertainties. Our predictions and other forward-looking statements may not prove to be accurate, or a number of factors could cause actual events, results, performance, etc. to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. These factors could include, among others, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest, and the risks detailed from time to time in the Fund’s simplified prospectus. Forward-looking statements are not guarantees of future performance. For these reasons, it is important that readers do not place undue reliance on our forward-looking statements and should be aware that the Fund may not update any forward-looking statements whether as a result of new information, future events or otherwise.

Benchmark Indices

Barclays Capital Intermediate U.S. Credit Bond Index:

This index measures the performance of investment grade corporate bonds in the United States with maturities of between one and ten years.

Barclays Capital Intermediate U.S. Credit Bond Index (Hedged):

This index measures the performance of investment grade corporate bonds in the United States with maturities of between one and ten years. The hedged version minimizes the exposure of currency fluctuations on index performance.

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED JUNE 30, 2018 AND PERIODS ENDED DECEMBER 31, 2013 TO 2017

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the six months ended June 30, 2018 and for the past five periods ended December 31, as applicable. In the year a fund or series is established, 'period' represents inception to December 31 of that year. In all other cases, 'period' represents year ended December 31.

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

		Increase (decrease) from operations						Distributions				Net assets, end of period (\$)	
		Net assets, beginning of period (\$)	Total revenue (\$)	Total expenses (\$)	Realized gains (losses) for the period (\$)	Unrealized gains (losses) for the period (\$)	Total increase (decrease) from operations (\$) (note 2)	From net investment income excluding dividends (\$)	From dividends (\$)	From capital gains (\$)	Return of capital (\$)		Total annual distribution (\$) (note 3)
Series A	2018	9.41	0.23	(0.08)	0.08	0.18	0.41	(0.14)	-	-	-	(0.14)	9.71
	2017	10.10	0.42	(0.16)	0.13	(0.78)	(0.39)	(0.27)	-	-	-	(0.27)	9.41
	2016	9.87	0.47	(0.16)	0.74	(0.56)	0.49	(0.31)	-	-	-	(0.31)	10.10
	2015	8.89	0.45	(0.16)	0.53	0.48	1.30	(0.28)	-	-	-	(0.28)	9.87
	2014	8.12	0.38	(0.13)	0.24	0.52	1.01	(0.26)	-	-	-	(0.26)	8.89
	2013	7.79	0.36	(0.13)	0.02	0.30	0.55	(0.23)	-	-	-	(0.23)	8.12
Series F	2018	9.38	0.23	(0.05)	0.07	0.20	0.45	(0.16)	-	-	-	(0.16)	9.68
	2017	10.07	0.42	(0.10)	0.14	(0.76)	(0.30)	(0.32)	-	-	-	(0.32)	9.38
	2016	9.85	0.47	(0.10)	0.80	(0.75)	0.42	(0.38)	-	-	-	(0.38)	10.07
	2015	8.87	0.44	(0.10)	0.53	0.40	1.27	(0.33)	-	-	-	(0.33)	9.85
	2014	8.10	0.40	(0.09)	0.22	0.52	1.05	(0.30)	-	-	-	(0.30)	8.87
	2013	7.76	0.36	(0.08)	0.02	0.29	0.59	(0.27)	-	-	-	(0.27)	8.10
Series I	2018	8.62	0.20	-	0.06	0.20	0.46	(0.19)	-	-	-	(0.19)	8.89
	2017	9.23	0.39	(0.01)	0.12	(0.75)	(0.25)	(0.36)	-	-	-	(0.36)	8.62
	2016	9.02	0.43	(0.01)	0.73	(0.82)	0.33	(0.42)	-	-	-	(0.42)	9.23
	2015	8.12	0.41	(0.01)	0.48	0.41	1.29	(0.39)	-	-	-	(0.39)	9.02
	2014	8.06	0.38	-	0.26	0.37	1.01	(1.09)	-	-	-	(1.09)	8.12
	2013	7.78	0.35	-	0.02	0.36	0.73	(0.40)	-	-	-	(0.40)	8.06
Series AH	2018	8.09	0.19	(0.07)	(0.08)	(0.08)	(0.04)	-	-	-	-	-	7.94
	2017	8.13	0.36	(0.14)	0.40	(0.45)	0.17	(0.22)	-	-	-	(0.22)	8.09
	2016	7.74	0.38	(0.13)	0.28	0.17	0.70	(0.25)	-	-	-	(0.25)	8.13
	2015	8.28	0.38	(0.14)	(0.87)	0.39	(0.24)	(0.24)	-	-	-	(0.24)	7.74
	2014	8.22	0.40	(0.14)	(0.37)	0.49	0.38	(0.26)	-	-	-	(0.26)	8.28
	2013	8.34	0.38	(0.13)	(0.45)	0.27	0.07	(0.23)	-	-	-	(0.23)	8.22
Series FH	2018	8.01	0.19	(0.04)	(0.10)	(0.07)	(0.02)	-	-	-	-	-	7.85
	2017	8.04	0.35	(0.09)	0.44	(0.49)	0.21	(0.26)	-	-	-	(0.26)	8.01
	2016	7.65	0.38	(0.09)	0.79	(0.32)	0.76	(0.29)	-	-	-	(0.29)	8.04
	2015	8.19	0.38	(0.09)	(0.86)	0.39	(0.18)	(0.29)	-	-	-	(0.29)	7.65
	2014	8.12	0.39	(0.09)	(0.38)	0.43	0.35	(0.30)	-	-	-	(0.30)	8.19
	2013	8.25	0.38	(0.09)	(0.39)	0.26	0.16	(0.28)	-	-	-	(0.28)	8.12
Series IH	2018	8.20	0.19	-	(0.10)	(0.07)	0.02	-	-	-	-	-	8.04
	2017	8.24	0.35	(0.01)	0.47	(0.48)	0.33	(0.35)	-	-	-	(0.35)	8.20
	2016	7.84	0.39	(0.01)	0.29	0.12	0.79	(0.38)	-	-	-	(0.38)	8.24
	2015	8.39	0.38	(0.01)	(0.81)	0.28	(0.16)	(0.37)	-	-	-	(0.37)	7.84
	2014	8.32	0.39	-	(0.36)	0.42	0.45	(0.38)	-	-	-	(0.38)	8.39
	2013	8.45	0.37	-	(0.44)	0.31	0.24	(0.37)	-	-	-	(0.37)	8.32

1. The financial information presented in the Net Assets per Unit table is derived from the Fund's unaudited semi-annual financial statements for the six months period ending June 30, 2018 and the audited financial statements. The Fund adopted International Financial Reporting Standards ("IFRS") commencing January 1, 2014. The 2013 numbers have been restated for comparative purposes to comply with IFRS 13, which came into effect January 1, 2014.

2. Net Assets and distributions are per Unit of a series are based on the actual number of units outstanding for that series at the relevant time. The Increase (Decrease) from Operations per Unit of a series is based on the weighted average number of units outstanding for that series during the financial period.

3. Distributions per Unit of a series are based on the number of units outstanding for the series on the record dates for the distributions. Distributions were paid in cash/reinvested in additional units of the Fund or both.

Ratios and Supplemental Data

		Net asset value (\$000) (note 4)	Number of units outstanding (000) (note 4)	Management expense ratio (MER) (%) (note 5)	MER before waivers or absorption (%) (note 5)	Portfolio turnover rate (%) (note 6)	Trading expense ratio (%) (note 7)	Net asset value per unit (\$)
Series A	2018	18,669	1,923	1.53	1.59	18.10	-	9.71
	2017	22,808	2,424	1.52	1.56	34.72	-	9.41
	2016	18,724	1,854	1.52	1.63	51.98	-	10.10
	2015	21,933	2,223	1.54	1.62	23.40	-	9.87
	2014	21,260	2,392	1.53	1.62	23.12	-	8.89
	2013	20,306	2,499	1.53	1.60	28.75	-	8.12
Series F	2018	16,883	1,745	0.96	1.00	-	-	9.68
	2017	19,347	2,063	0.96	1.01	-	-	9.38
	2016	8,194	814	0.96	1.07	-	-	10.07
	2015	18,942	1,924	0.97	1.06	-	-	9.85
	2014	16,216	1,829	0.97	1.07	-	-	8.87
	2013	10,264	1,267	0.97	1.05	-	-	8.10
Series I	2018	240	27	0.00	0.00	-	-	8.89
	2017	230	27	0.00	0.00	-	-	8.62
	2016	237	26	0.00	0.00	-	-	9.23
	2015	5	1	0.00	0.00	-	-	9.02
	2014	3	-	0.00	0.00	-	-	8.12
	2013	69	9	0.00	0.00	-	-	8.06
Series AH	2018	7,181	905	1.58	1.62	-	-	7.94
	2017	9,031	1,116	1.58	1.62	-	-	8.09
	2016	4,873	600	1.57	1.70	-	-	8.13
	2015	5,889	761	1.57	1.69	-	-	7.74
	2014	8,612	1,040	1.58	1.69	-	-	8.28
	2013	13,629	1,659	1.58	1.66	-	-	8.22
Series FH	2018	16,429	2,092	1.01	1.09	-	-	7.85
	2017	18,884	2,358	1.01	1.06	-	-	8.01
	2016	11,110	1,382	1.02	1.14	-	-	8.04
	2015	3,970	519	1.00	1.11	-	-	7.65
	2014	8,392	1,025	1.00	1.11	-	-	8.19
	2013	8,686	1,069	1.01	1.09	-	-	8.12
Series IH	2018	11,208	1,393	0.00	0.00	-	-	8.04
	2017	12,175	1,484	0.00	0.00	-	-	8.20
	2016	14,421	1,750	0.00	0.00	-	-	8.24
	2015	14,594	1,861	0.00	0.00	-	-	7.84
	2014	18,049	2,151	0.00	0.00	-	-	8.39
	2013	16,062	1,931	0.00	0.00	-	-	8.32

- The financial information presented in the Ratios and Supplemental Data table is derived from the Fund's Net Asset Value and is provided as at June 30, 2018 and December 31 of the previous years shown.
- The management expense ratio ("MER") is calculated as the total management fees and operating expenses paid by each series of the Fund, including GST/HST and interest and excluding commissions and other portfolio transaction costs, and is expressed as a percentage of the average daily Net Asset Value of each series of the Fund on an annualized basis. Any management fee distributions paid by a series of the fund that effectively reduced management fees payable by some unitholders are not deducted from expenses to determine the overall MER of that series. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Fund are shown both with and without the waiver and absorptions.
- Portfolio turnover rate is calculated at the Fund level based on the lesser of purchases or proceeds of sales of securities for the period, excluding cash, short term notes and bonds having maturity dates at acquisition of one year or less, divided by the average value of the portfolio securities for the period. 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 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.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value of the Fund. The trading expense ratio is calculated at the Fund level and applies to all series of the Fund.

MANAGEMENT FEES

Bridgehouse Asset Managers, the Manager, provides or arranges for investment management, distribution, marketing and promotion of the Fund. In consideration for the services provided, Bridgehouse Asset Managers receives a monthly management fee based on the daily average Net Asset Value of Series A, Series F, Series AH and Series FH. Management fees for Series I and Series IH are negotiated and paid directly by the unitholders of Series I and Series IH, not by the Fund.

For the six months period ended June 30, 2018, the Fund paid Bridgehouse Asset Managers management fees of \$301,447. Bridgehouse uses these management fees to pay for commission payments to registered brokers and dealers and general investment management expenses. The breakdown (commission payments / investment management, administration and other) as a proportion of the management fee for each Series are:

- Series A, AH (39% / 61%)
- Series F, FH (0% / 100%)
- Series I, IH (0% / 100%)

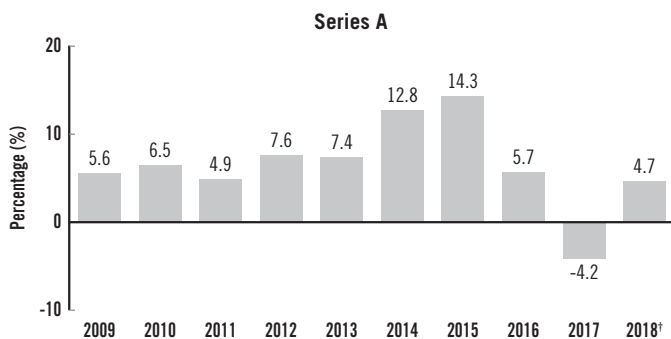
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset Managers during the period. For new Funds or Series the amount presented may not be indicative of longer term operating periods.

PAST PERFORMANCE

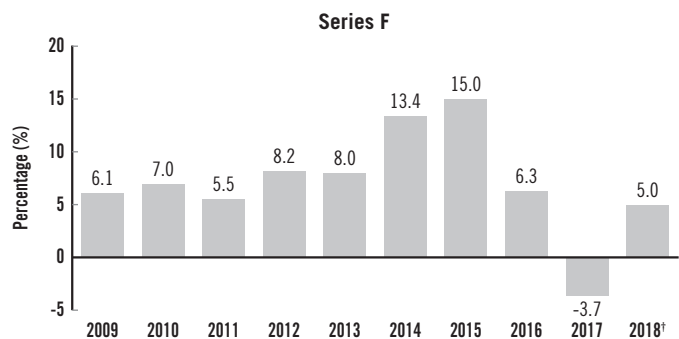
This section shows the historical performance for each series of the Fund for the six months ended June 30, 2018 and each of the previous annual periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before calculating performance, except in the case of Series I and Series IH units where the management fee is calculated outside of the Fund. Historical performance does not take into account the potential impact on returns of purchases, redemptions, distribution fees or other optional charges or income taxes payable by an investor. Keep in mind that past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns (%)

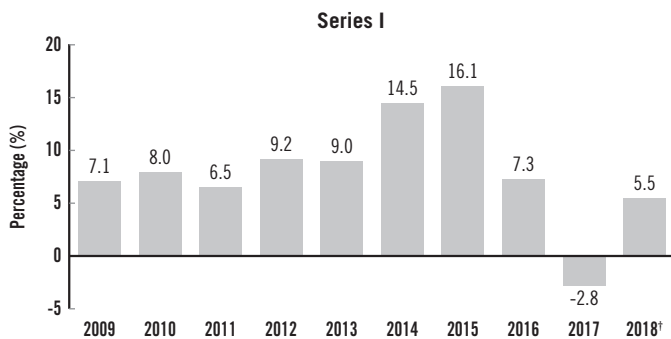
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the inception dates, would have grown or decreased by the last day of each financial year. 2018 data presented below is for the six-month period ended June 30, 2018.



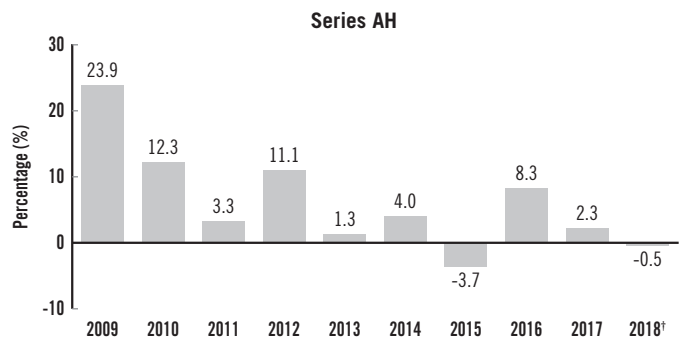
†Six-month return from January 1 to June 30, 2018.



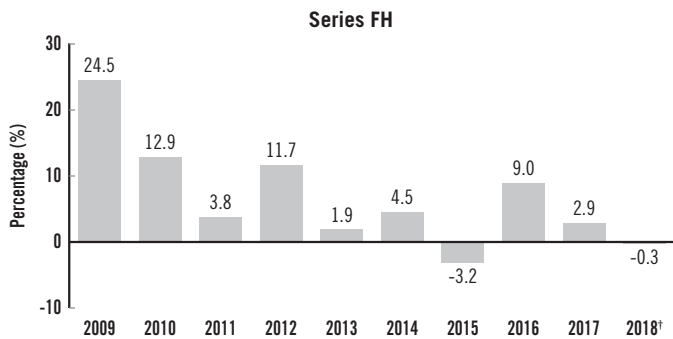
†Six-month return from January 1 to June 30, 2018.



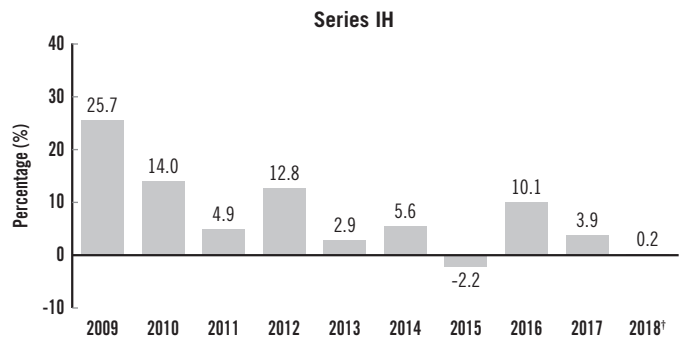
†Six-month return from January 1 to June 30, 2018.



†Six-month return from January 1 to June 30, 2018.



†Six-month return from January 1 to June 30, 2018.



†Six-month return from January 1 to June 30, 2018.

SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2018

Top 25 Positions

The portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

Security	Fund (%)
1. United States Treasury Bond 2.25% Feb 15/27	17.3
2. JPMorgan Chase & Co. 5.83% Dec 29/49	4.9
3. USB Capital IX 3.50% Oct 29/49	4.8
4. Chesapeake Energy Corporation 6.13% Feb 15/21	4.4
5. Cash and Cash Equivalents	3.0
6. ADT Corp. 3.50% Jul 15/22	2.9
7. Citibank, NA 2.10% Jun 12/20	2.7
8. Bank of America Corporation 6.88% Nov 15/18	2.7
9. AT&T Inc. 3.00% Jun 30/22	2.6
10. Range Resources Corporation 5.00% Mar 15/23	2.6
11. Tenet Healthcare Corporation 6.00% Oct 01/20	2.6
12. SLM Private Credit Student Loan Trust 2.65% Dec 15/38	2.6
13. American International Group, Inc. 6.40% Dec 15/20	2.4
14. Sprint Communications, Inc. 9.00% Nov 15/18	2.1
15. Frontier Communications Corporation 6.25% Sep 15/21	2.1
16. United States Treasury Bond 2.38% Aug 15/24	2.0
17. SLM Private Credit Student Loan Trust 2.63% Jun 15/39	1.9
18. The Goldman Sachs Group, Inc. 7.50% Feb 15/19	1.9
19. Arizona Public Services Company 8.75% Mar 01/19	1.9
20. Wells Fargo & Company 6.11% Mar 29/49	1.9
21. Cloud Peak Energy Resources LLC / Cloud Peak Energy Finance Corp. 12.00% Nov 01/21	1.9
22. General Motors Financial Company, Inc. 2.65% Apr 13/20	1.8
23. Microsoft Corporation 2.40% Feb 06/22	1.8
24. BP Capital Markets PLC 3.51% Mar 17/25	1.8
25. Chevron Corporation 2.10% May 16/21	1.8
% of Fund	78.4
Total Number of Fixed Income Securities	48
Total Net Asset Value (\$MM)	\$71

Asset Mix

Asset Class	Fund (%)
Fixed Income – Corporate	81.6
Fixed Income – Government	19.3
Cash & Cash Equivalent	3.0
Other Net Assets	(3.9)
% of Total	100.0

Industry Exposure

Industry	Fund (%)
Fixed Income	
Corporate	81.6
Government	19.3
Household Durables	0.0
Cash & Cash Equivalent	3.0
Other Net Assets	(3.9)
% of Total	100.0
Total Number of Industries	4

Country Exposure

Country	Fund (%)
United States	91.7
United Kingdom	5.0
Canada	2.7
Israel	0.8
Spain	0.7
Cash & Cash Equivalent	3.0
Other Net Assets	(3.9)
% of Total	100.0
Total Number of Countries	

Debt Securities by Credit Rating*

Credit Rating	Total Debt Instruments (%)
AAA/Aaa	6.3
AA/Aa	27.1
A/A	14.4
BBB/Baa	26.2
BB/Ba	11.1
B/B	4.7
CCC/Caa	10.2
Total	100.0

*Excludes cash and cash equivalents.

Credit ratings are obtained from Standard & Poor's, Moody's and Fitch.

Note: Rounding to one decimal place may result in individual figures totalling more or less than 100%



Bridgehouse Funds are managed by Bridgehouse Asset Managers® and are available through registered dealers.

Bridgehouse Asset Managers® is a trade name of Brandes Investment Partners & Co. Brandes Investment Partners® is a registered trademark of Brandes Investment Partners, L.P. in the United States and Canada, used under license by Brandes Investment Partners & Co. Brandes Investment Partners & Co. is an affiliate of Brandes Investment Partners, L.P., which is a portfolio sub-advisor to certain of the Bridgehouse Funds.



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