



BRIDGEHOUSE

Independent Platform

Brandes Greystone Lazard Sionna Morningstar

2018 Interim Management Report
of Fund Performance

Sionna Opportunities Fund



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SIONNA OPPORTUNITIES 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

The S&P/TSX Composite was up 6.8% in the second quarter, briefly touching an all-time high.

Energy led with a return of 15.8%, driven by three-year-high oil prices as the U.S imposed sanctions on Iran. Health care returned 14.2%, primarily driven by Valeant Pharmaceuticals making progress on restructuring its debt burden. Technology returned 11.0%, with continued outperformance by software companies Shopify and Constellation Software. Underperforming sectors were utilities, telecommunications, and consumer staples, partly due to a rise in interest rates and a rotation out of defensive names. Following a lack of progress on NAFTA negotiations, and the passing of the May 31st deadline imposed by the U.S., the Trump administration announced that it would begin to impose tariffs of 25% on steel and 10% on aluminum against Canada, Mexico and Europe. The impact to Canada's GDP growth would be less than 1%. If an agreement is reached, a breakdown may even be avoided altogether. Perhaps the reason for the positivity is the healthy Canadian economy. The most recent economic readings have unemployment rate at multi-decade lows, GDP growing at a healthy clip and inflation steady at 2.2%. Overall, this market rally is long in the tooth and appears to be entering its later stages. A decade's worth of accommodative tailwinds are starting to reverse. Sionna continues to invest with a cautious stance and remains diversified.

Performance

The Fund's Series A Units trailed its benchmark, gaining 4.5% versus a gain of 4.7% for the Sionna Opportunities Benchmark (the "Index"). (Please see the Benchmark Indices section for a full description).

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.

Holdings in specialty made positive contributions to overall performance, while holdings in beverages detracted from performance for the period.

Asset Mix

At June 30, 2018, equities made up 89.8%, and approximately 10.2% was in cash and other net assets.

The Fund's exposure to various industries shifted due to stock-specific buying and selling as well as to changes in the prices of holdings. The most significant industry exposure change was a decrease in holdings in diversified financial services to 11.0% from 14.1% at December 31, 2017.

Flows & Fees

The Fund's Net Asset Value increased to \$41.4 million at June 30, 2018, from \$38.3 million at December 31, 2017. Of this change, an increase of \$1.9 million was due to positive performance (net of investment income) while a increase of \$1.2 million was due to inflows.

For Series A units, the annualized management expense ratio ("MER") at June 30, 2018 is 2.62%, compared to 2.64% at 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.

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 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.

Sionna Investment Managers Inc. (“Sionna”) continues as the Fund’s portfolio sub-advisor. Bridgehouse pays Sionna an investment management fee to provide the Fund with investment management services.

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

Sionna Opportunities Benchmark: This blended benchmark is weighted 50% S&P/TSX Composite Index and 50% S&P 500 Index.

S&P/TSX Composite Index: This index tracks the performance of some of the largest and most widely held Canadian stocks listed on the Toronto Stock Exchange.

S&P 500 Index: The Standard & Poor’s 500 Index consists of 500 large-capitalization stocks and is designed to be a representative sample of the U.S. stock market.

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. Inception date for Series A, F and I is May 13, 2014.

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 | 12.69 | 0.11 | (0.17) | 0.32 | 0.31 | 0.57 | - | - | - | - | - | 13.26 |
| | 2017 | 11.32 | 0.20 | (0.31) | 0.81 | 0.91 | 1.61 | - | - | (0.14) | - | (0.14) | 12.69 |
| | 2016 | 10.17 | 0.16 | (0.27) | 0.03 | 1.14 | 1.06 | - | - | - | - | - | 11.32 |
| | 2015 | 10.92 | 0.17 | (0.28) | (0.04) | (1.13) | (1.28) | - | - | - | - | - | 10.17 |
| | 2014 | 10.00 | 0.10 | (0.17) | 0.14 | 0.85 | 0.92 | - | - | - | - | - | 10.92 |
| Series F | 2018 | 12.96 | 0.12 | (0.10) | 0.33 | 0.34 | 0.69 | - | - | - | - | - | 13.62 |
| | 2017 | 11.66 | 0.23 | (0.19) | 0.85 | 1.34 | 2.23 | - | - | (0.40) | - | (0.40) | 12.96 |
| | 2016 | 10.35 | 0.19 | (0.16) | 0.03 | 1.18 | 1.24 | - | - | - | - | - | 11.66 |
| | 2015 | 11.00 | 0.20 | (0.17) | (0.08) | (1.27) | (1.32) | - | - | - | - | - | 10.35 |
| | 2014 | 10.00 | 0.12 | (0.10) | 0.15 | 0.86 | 1.03 | - | - | - | - | - | 11.00 |
| Series I | 2018 | 13.29 | 0.09 | - | 0.23 | (0.12) | 0.20 | - | - | - | - | - | 14.07 |
| | 2017 | 12.12 | 0.21 | - | 0.88 | 0.88 | 1.97 | - | - | (0.81) | - | (0.81) | 13.29 |
| | 2016 | 10.60 | 0.18 | - | 0.03 | 1.31 | 1.52 | - | - | - | - | - | 12.12 |
| | 2015 | 11.10 | 0.18 | - | 0.10 | (0.78) | (0.50) | - | - | - | - | - | 10.60 |
| | 2014 | 10.00 | 0.10 | - | 0.11 | 0.89 | 1.10 | - | - | - | - | - | 11.10 |

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 | 19,554 | 1,475 | 2.62 | 2.75 | 17.25 | 0.06 | 13.26 |
| | 2017 | 19,164 | 1,510 | 2.64 | 2.72 | 36.69 | 0.09 | 12.69 |
| | 2016 | 16,570 | 1,464 | 2.64 | 2.82 | 37.81 | 0.07 | 11.32 |
| | 2015 | 17,822 | 1,753 | 2.61 | 2.80 | 14.30 | 0.08 | 10.17 |
| | 2014 | 8,080 | 740 | 2.61 | 2.98 | 19.90 | 0.17 | 10.92 |
| Series F | 2018 | 21,801 | 1,601 | 1.51 | 1.59 | - | - | 13.62 |
| | 2017 | 18,939 | 1,462 | 1.50 | 1.60 | - | - | 12.96 |
| | 2016 | 7,805 | 670 | 1.51 | 1.71 | - | - | 11.66 |
| | 2015 | 7,393 | 714 | 1.52 | 1.72 | - | - | 10.35 |
| | 2014 | 2,784 | 253 | 1.51 | 1.89 | - | - | 11.00 |
| Series I | 2018 | - | - | 0.00 | 0.00 | - | - | 14.07 |
| | 2017 | 209 | 16 | 0.00 | 0.00 | - | - | 13.29 |
| | 2016 | 180 | 15 | 0.00 | 0.00 | - | - | 12.12 |
| | 2015 | 158 | 15 | 0.00 | 0.00 | - | - | 10.60 |
| | 2014 | 165 | 15 | 0.00 | 0.00 | - | - | 11.10 |

- 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 and Series F. Management fees for Series I are negotiated and paid directly by the unitholders of Series I, not by the Fund.

For the six months period ended June 30, 2018, the Fund paid Bridgehouse Asset Managers management fees of \$340,787. 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 (42% / 68%)
- Series F (0% / 100%)
- Series I (0% / 100%)

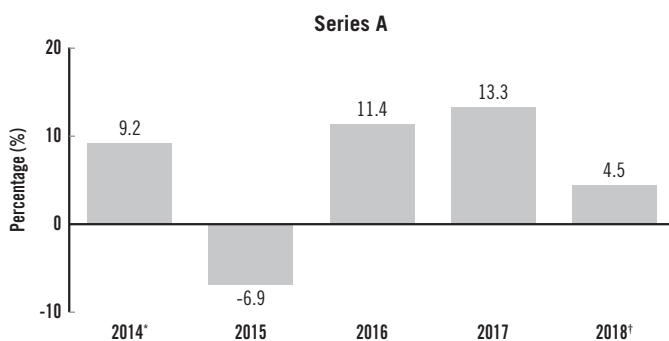
Commission payments represent cash commissions paid by Bridgehouse Asset Managers to registered brokers and dealers during the period and includes upfront deferred sales charge and trailing commissions. This amount may, in certain circumstances, exceed 100% of the fees earned by the Bridgehouse Asset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

PAST PERFORMANCE

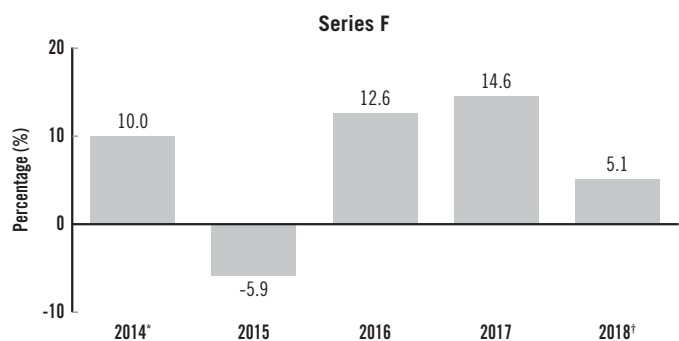
This section shows the historical performance for each series of the Fund for the six months ended June 30, 2018 and each of the previous annual periods ended December 31. Historical performance is based on the change in Net Asset Value per unit, assuming reinvestment of all distributions. Management fees and operating expenses have been taken into account before calculating performance, except in the case of Series I 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 (%)

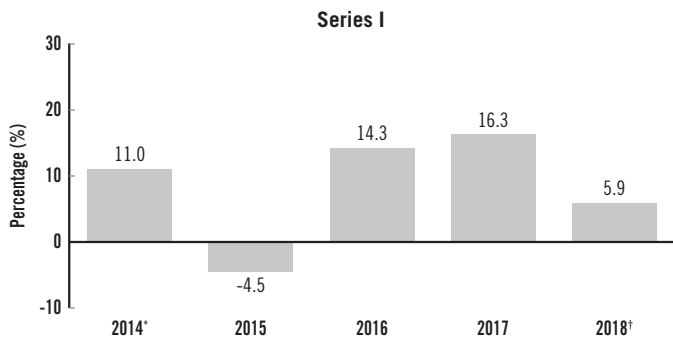
The bar chart shows the Fund's annual performance for each of the years shown. The bar chart shows how the performance of each series of the Fund has changed from year to year. It illustrates in percentage terms how much an investment in each series of the Fund made on January 1 of each year, or on the 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.



*2014 Series A returns are from May 12, 2014
 †Six-month return from January 1 to June 30, 2018.



*2014 Series F returns are from May 12, 2014
 †Six-month return from January 1 to June 30, 2018.



*2014 Series I returns are from May 12, 2014
 †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. Cash and Cash Equivalents | 9.4 |
| 2. Tractor Supply Company | 4.3 |
| 3. Brookfield Asset Management Inc. Cl. A | 4.3 |
| 4. Brookfield Infrastructure Partners LP | 4.2 |
| 5. Fairfax Financial Holdings Limited | 4.0 |
| 6. Diageo PLC ADR | 4.0 |
| 7. Berkshire Hathaway Inc. Cl. B | 4.0 |
| 8. AirBoss of America Corp. | 3.9 |
| 9. PrairieSky Royalty, Ltd. | 3.5 |
| 10. Finning International Inc. | 3.4 |
| 11. Wells Fargo & Company | 3.3 |
| 12. Imperial Oil, Ltd. | 3.3 |
| 13. Great Canadian Gaming Corporation | 3.2 |
| 14. The TJX Companies Inc. | 3.2 |
| 15. CarMax, Inc. | 3.1 |
| 16. Winpak, Ltd. | 3.1 |
| 17. The Howard Hughes Corporation | 3.0 |
| 18. Ambev SA ADR | 2.8 |
| 19. Moodys Corporation | 2.7 |
| 20. TWC Enterprises Limited | 2.6 |
| 21. Alimentation Couche-Tard Inc. Cl. B | 2.5 |
| 22. Boardwalk Real Estate Investment Trust | 2.4 |
| 23. National-Oilwell Varco Inc. | 2.4 |
| 24. Computer Modelling Group, Ltd. | 2.3 |
| 25. Morguard Corporation | 2.3 |
| % of Fund | 87.2 |
| Total Number of Companies | 30 |
| Total Net Asset Value (\$MM) | \$41 |

Asset Mix

| Asset Class | Fund (%) |
|------------------------|--------------|
| Canadian Equity | 51.2 |
| Global Equity | 38.6 |
| Cash & Cash Equivalent | 10.1 |
| Other Net Assets | 0.1 |
| % of Total | 100.0 |

Industry Exposure

| Industry | Fund (%) |
|--|--------------|
| Diversified Financial Services | 11.0 |
| Real Estate Management & Development | 7.6 |
| Specialty Retail | 7.5 |
| Beverages | 6.8 |
| Energy Equipment & Services | 5.9 |
| Hotels, Restaurants & Leisure | 5.8 |
| Oil, Gas & Consumable Fuels | 5.2 |
| Food & Staples Retailing | 4.5 |
| Multi-Utilities | 4.2 |
| Insurance | 4.0 |
| Chemicals | 3.9 |
| Machinery | 3.4 |
| Commercial Banks | 3.3 |
| Automobiles | 3.1 |
| Containers & Packaging | 3.1 |
| Equity Real Estate Investment Trusts (reits) | 2.4 |
| Software | 2.3 |
| Internet Software & Services | 2.2 |
| Road & Rail | 1.8 |
| Semiconductors & Semiconductor Equipment | 1.8 |
| Cash & Cash Equivalent | 10.1 |
| Other Net Assets | 0.1 |
| % of Total | 100.0 |
| Total Number of Industries | 20 |

Country Exposure

| Country | Fund (%) |
|----------------------------------|--------------|
| Canada | 51.2 |
| United States | 30.0 |
| United Kingdom | 4.0 |
| Brazil | 2.8 |
| Taiwan | 1.8 |
| Cash & Cash Equivalent | 10.1 |
| Other Net Assets | 0.1 |
| % of Total | 100.0 |
| Total Number of Countries | 5 |

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.

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