LDIC North American Energy Infrastructure Fund

Management Report of Fund Performance

December 31, 2014

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

LDIC North American Energy Infrastructure Fund

For the Year ending December 31, 2014

All figures are reported in Canadian dollars unless otherwise noted.

This annual management report of fund performance contains financial highlights but does not contain the complete annual audited financial statements of the investment fund. You can get a copy of the annual audited financial statements at your request and at no cost, by contacting LDIC Inc. in one of the methods below.

Unit holders 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 principally to provide long-term capital appreciation with the potential for income, by investing primarily in equity securities (including common shares and warrants) and fixed-income investments relating to energy 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 energy 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 energy 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, generation plants, electrical grids, substations.
Storage	Storage terminals, manufacturing facilities & underground storage.
Industrials	Refineries, utilities, midstream processing, upgraders, engineering, chemical manufacturing & processing.
Production & Expl.	Oil production, natural gas production, coal, hydroelectricity & alternative energy production such as wind, solar & geothermal.
Services	Construction, equipment, drilling, social, real estate, housing & retail.

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 December 31, 2014, the risks of investing in the Fund remain 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 worth re-iterating 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. There were no material changes to the Fund since its inception that affected the overall level of risk.

The Fund can be impacted by a change in crude oil and natural gas prices. A decline in these commodity prices can lead to a reduction of spending budgets across the sector which could have an adverse impact on earnings for our holdings. The Fund is built to withstand some of the volatility of prices by being invested in large cap, income-generating midstream and pipeline companies who derive a large part of their revenue's from long-term contracts which are not tied to current commodity prices.

The Fund is suitable for investors who are seeking a potential for capital appreciation, have medium to high risk tolerance and have a medium to long-term investing horizon. 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.

Results of Operations

The Fund's performance for 2014 is 2.0% for Class A and 2.8% for Class F. Class A which was launched on May 10, 2013 has an inception return of 8.5% while Class F launched on April 26, 2013 has an inception return of 9.4%. The inception return of the benchmark which is a blend of 70% S&P/TSX Energy Index and 30% S&P Energy Total Return Index is 0.5% for Class A and 2.4% for Class F.

We entered 2014 with an investing environment more stable than any period since the financial crisis of 2008. Markets remained orderly until the price of oil price began an accelerated decline on October 1, 2014. As of December 31, 2014 the price for oil had declined roughly 50% from its midyear peak. The rapid drop in oil dragged down the performance of the Canadian equity markets due to the benchmarks heavy weighting to the energy sector approximately 22%.

Interest rates in 2014 steadily moved lower over the course of the year, despite the tapering and conclusion of the US Federal Reserve's asset purchasing or Quantitative Easing. The Canadian 10 year bond yield moved from 2.7% to 1.8%, while the comparable US bonds contracted from 3.0% to 2.2%.

LDIC managed the Fund to minimize the impact of rising rates through stock selection of higher growth pipelines and reduced weighting during the rapid rise in interest rates. Infrastructure assets such as Pipeline and Midstream companies make up a significant part of the Fund's asset allocation; market valuations decline as interest rates rise, not dissimilar to other low volatility steady paying dividend sectors like the REIT's or Utilities.

Earnings and dividend growth for our Top Ten Holdings, which represent over 50% of the Fund, were strong. All but one holding generated record cash flows and/or earnings. Further, all of the Top Ten holdings raised dividends with an average increase of 17%. During the second half of the year, the Fund increased it's weighting to US securities from 30% to over 40%. The Fund does not hedge its currency exposure and prefers instead to have some exposure to the US dollar over the long-term.

The Fund performed well considering the energy sector experienced a significant amount of volatility in the second half of 2014. The oil price declined 50% in the last 6 months of the year, leading to an over 40% correction for the TSX Energy Sector. During this period of turbulence, the Fund performed as intended, to withstand commodity volatility and the Fund was 50% less volatile than its benchmark.

Recent Developments

This section contains forward-looking statements. Various factors could cause actual results to differ materially from those projected in forward-looking statements.

In January 2015, the Bank of Canada cut interest rates and the Federal Reserve meeting in the US had language suggesting a prolonged period of low rates was in order. As such, we believe interest rates are poised to stay lower for longer which makes the relative yield on energy infrastructure companies attractive.

It was a record year in 2014 for energy infrastructure project announcements in Canada. Similarly the US saw many large scale projects announced and break ground. Projects which have been announced and have a high probability of being approved in the coming years are:

- Canada The $12 billion TransCanada Energy East Pipeline and the $2.7 billion expansion of NGTL System.
- The $7.5 billion Mainline Replacement Project by Enbridge.
- The $3.7 billion Philipps 66 and Energy Transfer Bakken pipeline.
- The $3 billion Spectra Energy and North East Utilities Pipeline.
- The $2-10 billion in LNG projects from AltaGas & Petronas in BC.
- The $1.4 billion Fort McMurray West Transmission Project in Alberta.

An oversupply of 1%-2% in the market has caused an over 50% drop in price. There are a number of factors including the Chinese buying a record amount of oil and a demand response which we believe will see oil bottom over the next few quarters. Once 2014 fourth quarter company results are reported the over 50% decrease in price should recover.

From 2000 to 2007, oil prices averaged $39/barrel and capex spending in the energy infrastructure sector in Canada increased ten-fold. Despite a low oil price, spending can still increase as it is volumes rather than price which are the key driver for cash flows in this sector. Infrastructure stocks perform well in such an environment as exemplified by Inter Pipeline and Pembina Pipeline posting high double-digit annual CAGR's during this period.

We believe this period of volatility presents compelling opportunities for our infrastructure holdings. In this environment, energy producers are strapped for cash and are looking to divest assets. Infrastructure companies who have strong balance sheets and the ability to finance are the clear winners in this environment. We also believe more private equity groups who are flush with cash will continue to move into this space.

Basis of Presentation and Adoption of IFRS

The Fund adopted International Financial Reporting Standards ("IFRS") on January 01, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles ("GAAP") as defined in Part V of the CPA Canada Handbook. The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position at April 18, 2013 and throughout all periods presented, as if these policies had always been in effect. Note 12 of the financial statements discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

The primary impact to the fund's transition from Canadian GAAP to IFRS is the valuation method of the Fund's equity. Under Canadian GAAP the Fund measured the fair value of its investments in accordance with CPA Handbook Section 3855, Financial Instruments – Recognition and Measurement which used the bid prices for long positions and the ask prices for short positions. Under IFRS, the Fund measures the fair value of its investments using the guidance in IFRS 13, Fair Value Measurement which, if an asset or a liability has a bid price and an ask price, then its fair value is based on a price within the bid-ask spread that is most representative of fair value.

As a result, upon adoption of IFRS, an adjustment was recognized to increase the carrying amount of the Fund's investments by $14,342 as at December 31, 2013. There was no transition difference for April 18, 2013 statements as the holdings were in cash only.

Under Canadian GAAP, the Fund was exempt from providing a Statement of Cash Flows. IAS 1 requires a complete set of financial statements including a Statement of Cash Flows for the current and comparative periods, without exception.

Under Canadian GAAP, the Fund accounted for its redeemable units as equity. Under IFRS, in order for redeemable units to be classified as equity certain criteria (as outlined in IAS 32) must be met, including a criterion that the redeemable units not be subject to a contractual obligation to deliver cash or another financial asset to another entity. The Fund's redeemable units do not meet this IAS 32 criterion for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

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. 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"). 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 December 31, 2014, the Manager of the Fund/Portfolio Manager LDIC Inc. and certain directors of the manager held a total of 235,572 units of the F Class of 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 financial performance for the year ended December 31, 2014 and the period from date of inception to December 31, 2013, as applicable. 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 2014	CLASS A 2013 [4]
Net Assets, beginning of period	**$ 10.99**	**$ 10.00**
Increase (decrease) from operations:		
Total revenue	0.38	0.23
Total expenses	(0.54)	(0.24)
Realized gains (losses) for the year	(0.01)	0.17
Unrealized gains (losses) for the year	(0.54)	1.26
Total increase (decrease) from operations[2]	**$ (0.71)**	**$ 1.42**
Distributions:		
From income (excluding dividends)	-	-
From dividends	(0.30)	(0.23)
From capital gains	-	-
Return of capital	-	-
Total annual distributions[3]	**(0.30)**	**(0.23)**
Net Assets, end of period	**10.91**	**$ 10.99**

	CLASS F 2014	CLASS F 2013 [4]
Net Assets, beginning of period	**$ 11.09**	**$ 10.00**
Increase (decrease) from operations:		
Total revenue	0.38	0.24
Total expenses	(0.44)	(0.17)
Realized gains (losses) for the year	(0.02)	0.18
Unrealized gains (losses) for the year	(0.36)	1.39
Total increase (decrease) from operations[2]	**$ (0.44)**	**$ 1.64**
Distributions:		
From income (excluding dividends)	-	-
From dividends	(0.30)	(0.23)
From capital gains	-	-
Return of capital	-	-
Total annual distributions[3]	**(0.30)**	**(0.23)**
Net Assets, end of period	**$ 11.10**	**$ 11.09**

(1) This information is derived from the Fund's audited annual financial statements. For financial periods 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 period 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		
	Dec 31, 2014	Dec 31, 2013	(6)
Total Net Asset Value ($) (1)	11,144,636	3,723,153	
Number of units outstanding (1)	1,021,276	338,773	
Management expense ratio(2)	4.27%	3.42%	(5)
Management expense ratio before waivers or absorption(2)	4.27%	4.11%	(5)
Trading expense ratio(3) (	0.32%	0.35%	(5)
Portfolio turnover rate(4)	57.97%	65.08%	
Net Asset Value per unit ($)	10.91	10.99	

	CLASS F		
	Dec 31, 2014	Dec 31, 2013	(6)
Total Net Asset Value ($) (1)	20,011,076	8,719,848	
Number of units outstanding (1)	1,802,052	786,118	
Management expense ratio(2)	3.34%	2.22%	(5)
Management expense ratio before waivers or absorption(2)	3.34%	2.79%	(5)
Trading expense ratio(3)	0.32%	0.35%	(5)
Portfolio turnover rate(4)	57.97%	65.08%	
Net Asset Value per unit ($)	11.10	11.09	

(1) The information is provided as at 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 period.
The decision to wave 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 period.

(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 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.

Management Fees

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

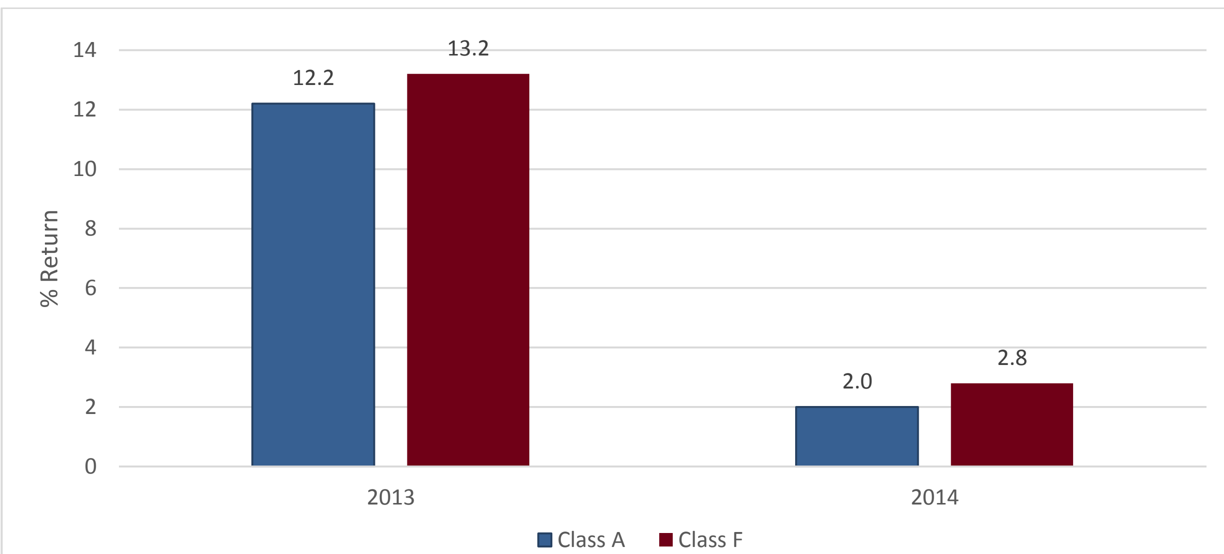
The management fee for the fund is 2.00% for Series A, and 1.00% for Series F. The breakdown of the services received in consideration of the management fee, as a percentage of the management fee is:

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

Past Performance

A) Year-by-Year Returns

The bar chart shows the investment fund's performance of Series A and F of the Fund, since inception of the fund to December 31, 2013, and for year ended December 31, 2014. The bar chart shows in percentage terms, how much an investment made on the first day the fund was available for purchase would have grown or decreased by the last day of the year.



2013 returns are shown from inception dates (Class A May 10, 2013 and Class F April 26, 2013) to December 31, 2013.
Past Performance returns do not reflect future performance.

B) Annual Compound Returns

The table below shows the annual compound return of each class of units of the Fund, for each period indicated, in comparison to the Fund's benchmark.

	Class A		**Class F**	
	Since Inception (May 10/13)	1 year	Since Inception (Apr 26/13)	1 year
LDIC North American Energy Infrastructure Fund	8.5%	2.0%	9.4%	2.8%
70%/30% Blended Index (1)	0.5%	-11.7%	2.4%	-11.7%

The benchmark is blend of 70% S&P/TSX Energy Index, and 30% S&P Energy Total Return Index in Canadian Dollars.

About the Funds 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

Top 25 Investments as of December 31, 2014

Sector Mix

	% of Fund's Net Asset Value
Canadian Corporate Bonds	**4.2**
Foreign Bonds	**3.9**
Energy	**56.6**
Financials	**2.7**
Industrials	**21.6**
Materials	**4.0**
Utilities	**1.7**
Cash	**6.2**
Net Other Liabilities	**(0.9)**
	100.0

Geographic Mix

	% of Fund's Net Asset Value
Canada	**56.5**
United States of America	**38.2**
Cash	**6.2**
Net Other Liabilities	**(0.9)**
	100.0

Top 25 Issuers

	Maturity Date	Coupon Rate	% of Fund's Net Asset Value
01 AltaGas Ltd.			6.1
02 Inter Pipeline Ltd.			5.9
03 Keyera Corp.			5.7
04 Gibson Energy Inc.			5.3
05 Pembina Pipeline Corp.			5.3
06 Williams Cos Inc.			4.9
07 Canadian Energy Services & Technology Corp.	Apr 17, 2020	7.38%	4.3
08 Macquarie Infrastructure Co. LLC			4.1
09 Calfrac Holdings LP	Dec 01, 2020	7.50%	3.9
10 Union Pacific Corp.			3.6
11 General Electric Co.			3.4
12 Canadian National Railway Co.			3.0
13 Teekay Corp.			3.0
14 Parkland Fuel Corp.			2.9
15 Veresen Inc.			2.9
16 AltaGas Ltd.			2.8
17 Phillips 66			2.8
18 Secure Energy Services Inc.			2.7
19 Canadian Western Bank			2.7
20 Canadian Energy Services & Technology Corp.			2.5
21 Quanta Services Inc.			2.5
22 Dow Chemical Co.			2.0
23 LyondellBasell Industries NV			2.0
24 Plains GP Holdings LP			2.0
25 Spectra Energy Corp.			2.0
			88.3

Total Net Asset Value: $31,155,712

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
222 Bay St.
PO Box 251, Toronto, Ontario, M5K 1J7

Legal Counsel

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