



**LDIC North American Small Business Fund**

Financial Statements

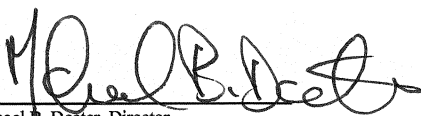
June 30, 2015

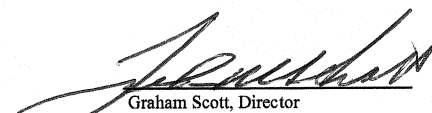
**LDIC North American Small Business Fund (Corporate Class)**  
**Statement of Financial Position (unaudited)**

As at June 30, 2015

	2015
<b>Assets</b>	
<b>Current assets</b>	
Financial assets at fair value through profit or loss (notes 3 and 12)	\$ 2,103,102
Cash	3,407,911
Accrued dividends	1,245
<b>Total assets</b>	<b>5,512,258</b>
<b>Liabilities</b>	
<b>Current liabilities</b>	
Performance fees	4,610
Accrued expenses	17,907
Payable for investments purchased	37,418
Management fees	4,927
<b>Total liabilities (excluding Net Assets attributable to holders of redeemable shares)</b>	<b>64,862</b>
<b>Net Assets attributable to holders of redeemable shares (note 4)</b>	<b>\$ 5,447,396</b>
<b>Net Assets attributable to holders of redeemable shares per series</b>	
Series A	\$ 906,296
Series F	\$ 4,541,100
<b>Net Assets attributable to holders of redeemable shares per series per share (note 4)</b>	
Series A	\$ 9.83
Series F	\$ 9.78

Approved on behalf of LDIC Inc., as manager of the LDIC North American Small Business Fund (Corporate Class).

  
 Michael R. Decker, Director

  
 Graham Scott, Director

**LDIC North American Small Business Fund (Corporate Class)**  
**Statement of Comprehensive Income (unaudited)**

For the period from May 22, 2015 (commencement of operations) to June 30, 2015

2015

<b>Net Gain (loss) on Financial Instruments</b>	
Dividend income	\$ 2,342
Interest for distribution purposes	177
Foreign exchange gain (loss) on cash	4,056
Other changes in fair value on financial assets and financial liabilities at fair value through profit or loss	
Net realized gain (loss) on sale of investments	(13,000)
Change in unrealized appreciation (depreciation) in value of investments	(40,486)
Change in unrealized appreciation (depreciation) in value of foreign exchange from currency	4
<b>Net Gain (loss) on Financial Instruments</b>	<b>(46,907)</b>
<b>Expenses (note 5)</b>	
Performance fees	4,610
Management fees	4,940
Custodian fees	784
Audit fees	4,464
Valuation fees	3,342
Independent review Committee fees	260
Transaction costs (note 7)	7,284
Filing fees	897
Securityholder reporting costs	3,814
Other expenses	4,346
<b>Total operating expenses</b>	<b>34,741</b>
<b>Operating profit (loss)</b>	<b>(81,648)</b>
Withholding taxes (note 6)	(74)
<b>Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations (excluding distributions)</b>	<b>\$ (81,722)</b>
<b>Increase (decrease) in Net Assets attributable to holders of redeemable shares per series from operations (excluding distributions)</b>	
Series A	\$ (13,723)
Series F	\$ (67,999)
<b>Average number of shares outstanding for the period per series</b>	
Series A	85,053
Series F	406,175
<b>Increase (decrease) in Net Assets attributable to holders of redeemable shares per share from operations (excluding distributions)</b>	
Series A	\$ (0.16)
Series F	\$ (0.17)

The accompanying notes are an integral part of these financial statements

**LDIC North American Small Business Fund (Corporate Class)**  
**Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares (unaudited)**  
For the period from May 22, 2015 (commencement of operations) to June 30, 2015

	2015	
	Class A	Class F
<b>Net Assets attributable to holders of redeemable shares at beginning of period</b>	\$ -	\$ -
<b>Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations (excluding distributions)</b>	(13,723)	(67,999)
<b>Redeemable share transactions</b>		
Proceeds from redeemable shares issued	920,019	4,609,099
	920,019	4,609,099
<b>Net Increase (decrease) in Net Assets attributable to holders of redeemable shares</b>	906,296	4,541,100
<b>Net Assets attributable to holders of redeemable shares at end of period</b>	\$ 906,296	\$ 4,541,100

	2015	
	Total	
<b>Net Assets attributable to holders of redeemable shares at beginning of period</b>	\$ -	
<b>Increase (decrease) in Net Assets attributable to holders of redeemable shares from operations (excluding distributions)</b>	(81,722)	
<b>Redeemable share transactions</b>		
Proceeds from redeemable shares issued	5,529,118	
	5,529,118	
<b>Net Increase (decrease) in Net Assets attributable to holders of redeemable shares</b>	5,447,396	
<b>Net Assets attributable to holders of redeemable shares at end of period</b>	\$ 5,447,396	

**LDIC North American Small Business Fund (Corporate Class)**  
**Statement of Cash Flows (unaudited)**

For the period from May 22, 2015 (commencement of operations) to June 30, 2015

2015

<b>Cash flows from (used in) operating activities</b>	
Increase (Decrease) in Net Assets attributable to holders of redeemable shares from operations (excluding distributions)	\$ (81,722)
Adjustments for:	
Foreign exchange gain (loss) on cash	(4,056)
Net realized gain (loss) on sale of investments	13,000
Change in unrealized appreciation (depreciation) in value of investments	40,486
Purchases of investments	(2,302,588)
Proceeds from sale of investments	146,000
Accrued dividends	(1,245)
Performance fees	4,610
Accrued expenses	17,907
Payable for investments purchased	37,418
Management fees payable	4,927
<b>Net cash from (used in) operating activities</b>	<b>(2,125,263)</b>
<b>Cash flows from (used in) financing activities</b>	
Proceeds from redeemable shares issued	5,529,118
<b>Net cash from (used in) financing activities</b>	<b>5,529,118</b>
Foreign exchange gain (loss) on cash	4,056
Net increase (decrease) in cash	3,403,855
Cash at beginning of period	-
<b>Cash at end of period</b>	<b>3,407,911</b>
<b>Supplemental Cash Flow Information:</b>	
Dividends received, net of withholding taxes	1,023
Interest received	177

# LDIC North American Small Business Fund (Corporate Class)

## Schedule of Investment Portfolio (unaudited)

As at June 30, 2015

Number of Shares	Description	Average Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Equities - Canada</b>				
<b>Consumer Discretionary</b>				
50,000	Invescor Restaurant Group Inc.	101,435	101,500	
8,000	Park Lawn Corp.	100,118	99,920	
200,000	theScore Inc.	128,600	128,000	
		<u>330,153</u>	<u>329,420</u>	<u>6.0</u>
<b>Health Care</b>				
200,000	Convalo Health International Corp.	120,600	100,000	
20,000	Nobilis Health Corp.	173,522	169,800	
		<u>294,122</u>	<u>269,800</u>	<u>5.0</u>
<b>Industrials</b>				
5,000	Boyd Group Income Fund	272,448	263,600	
4,600	K-Bro Linen Inc.	254,611	243,708	
6,000	Morneau Shepell Inc.	101,839	99,720	
		<u>628,898</u>	<u>607,028</u>	<u>11.1</u>
<b>Information Technology</b>				
5,000	Descartes Systems Group Inc.	92,550	100,250	
100,000	Spectra7 Microsystems Inc.	71,300	60,000	
		<u>163,850</u>	<u>160,250</u>	<u>3.0</u>
<b>Utilities</b>				
30,000	GWR Global Water Resources Corp.	210,087	214,500	3.9
<b>Equities - United States</b>				
<b>Consumer Discretionary</b>				
6,000	Imax Corp.	304,376	301,652	
6,000	Service Corp. International	217,586	220,452	
		<u>521,962</u>	<u>522,104</u>	<u>9.6</u>
<b>Total Equities</b>		<u>2,149,072</u>	<u>2,103,102</u>	<u>38.6</u>
<b>Transaction costs</b>		(5,484)		
<b>Total Investments</b>		<u>2,143,588</u>	<u>2,103,102</u>	<u>38.6</u>
<b>Other Assets, Less Liabilities</b>			<u>3,344,294</u>	<u>61.4</u>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>			<u>\$ 5,447,396</u>	<u>100.0</u>

# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

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### 1. LDIC North American Small Business Fund (Corporate Class)

The LDIC North American Small Business Fund (Corporate Class) (the “Fund”) is a class of shares of LDIC Mutual Fund Corporation Inc. The investment objective of the Fund is principally to provide long-term capital appreciation and income by investing primarily in equity and fixed income securities of small capitalization companies based in North America. These financial statements were authorized for issue by the Manager on August 17, 2015.

The Fund may create an unlimited number of series of shares, and may offer and sell an unlimited number of shares of each series. Currently, the Fund offers Series A shares and Series F shares. The capital received by the Fund is utilized within the investment mandate of the Fund. This includes the ability to make liquidity to satisfy shareholders’ share redemption requirements upon the shareholders’ request. The Fund is not subject to any externally imposed capital requirements.

Series A shares are designed for retail investors. Dealers through whom Series A shares are purchased will receive initial commission’s payable by the investor, and on-going service fees (also called “trailer fees” or “trailing commissions”) from the Manager on behalf of the Fund. The inception date for Series A is May 29, 2015.

Series F shares are designed for investors who participate in fee-based investment programs offered by their dealers. Series F shares are only available to investors whose dealer has entered into an agreement with the Manager to make Series F shares available to clients of that dealer. The inception date for Series F is May 22, 2015.

### 2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Accounting Standards (34) *Interim Financial Reporting* (“IAS 34”) as published by the International Accounting Standards Board (IASB).

The policies applied in these interim financial statements are based on IFRS issued and outstanding as of August 17, 2015, which is the date on which the interim financial statements were authorized for issue by the Manager.

In applying IFRS, management makes estimates and assumptions that may affect the amounts of assets, liabilities, income and expenses reported in these financial statements. The most significant estimates relate to the valuation of financial instruments. Actual results may differ from the estimates.

These financial statements have been presented in Canadian dollars, which is the Fund’s functional currency.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Foreign currency translation

Foreign currency purchases and sales of investments and foreign currency dividend and interest income and expenses are translated to Canadian dollars at the rate of exchange prevailing at the time of the transactions.

Foreign exchange gains (losses) on purchases and sales of foreign currencies are included the Statements of Comprehensive Income – Foreign exchange gain (loss) on cash.

The fair value of investments and other assets and liabilities, denominated in foreign currencies, are translated to Canadian dollars at the rate of exchange prevailing on each valuation day.

#### (b) Financial instruments

The Fund’s investments in equity securities are designated at fair value through profit or loss (“FVTPL”) at inception. The Fund’s obligation for Net Assets attributable to holders of redeemable shares is presented at the redemption amount. All other financial assets and liabilities are measured at amortized cost. Under this method, financial assets and liabilities reflect the amounts required to be received or paid, discounted when appropriate, at the financial instrument’s effective interest rate. The Fund’s accounting policies for measuring the fair value of its investments are identical to those used in measuring its published Net Asset Value (NAV). The fair values of the Fund’s financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

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Financial instruments classified as Held For Trading: Financial assets and liabilities are classified as Held For Trading if they are acquired for the purpose of selling and/or repurchasing in the near term, and are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated as FVTPL through inception: All investments held by the Fund are designated as fair value through profit or loss upon initial recognition. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund, as set out in the Fund's prospectus.

### (c) Fair value measurements

Financial Instruments are valued at their fair value which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that days bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances

The Fund uses a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

A valuation hierarchy table has been included at Note 10 Fair Value Disclosure.

### (d) Cash

Cash is comprised of deposits with financial instruments

### (e) Multi-series allocation

Expenses, realized and unrealized gains/losses and income generally are allocated among the series on a pro-rata basis.

Series specific management fees are not allocated and do not require allocation.

### (f) Transaction costs

Transaction costs, such as brokerage commissions incurred in the purchase and sale of securities are expensed, and are included in "Transaction Costs" in the Statements of Comprehensive Income.

### (g) Share valuation and valuation date

Shares are issued and redeemed on a continuing basis at the Net Assets attributable to holders of redeemable shares which is determined for each series of shares of the Fund on each valuation day. A "valuation day" is any day that the Toronto Stock Exchange is open for business, unless the Fund is not accepting orders to purchase, switch or redeem shares on that day (in the circumstances described in simplified prospectus for the Fund in the section called "Purchases, switches, and redemptions"). To determine the Net Asset Value per share for a series of shares of a Fund, the Manager or its agent determines the value of the proportionate share of the assets of the Fund attributable to the particular series less the liabilities of the Fund attributed to only that series and the proportionate share of the common liabilities of the Fund allocated to that series. This amount is then divided by the total number of shares of that series then held by investors.



# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

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### (h) Investment transactions

Investment transactions are accounted for on the trade date. All income, net realized gains (losses), unrealized appreciation (depreciation) in the value of investments and transaction costs are attributable to investments which are deemed held for trading.

### (i) Revenue recognition

- The interest for distribution purposes shown on the statements of comprehensive income represents the coupon interest received by the fund accounted for on an accrual basis. The fund does not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds which are amortized on a straight line basis.
- Dividend income is recorded on the ex-dividend date and is gross of withholding taxes.
- Realized gains and losses on investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments.

### (j) Increase / (decrease) in Net Assets Attributable to Holders of Redeemable Shares per share

The increase/(decrease) in Net Assets attributable to holders of redeemable shares per share in the Statements of Comprehensive Income represents the net increase/(decrease) in Net Assets attributable to holders of redeemable shares per share, divided by the weighted average shares outstanding during the period of that series of shares.

### (k) Accounting Standards Issued but not yet Adopted

IFRS 9: Financial Instruments ("IFRS 9"), which is intended to replace IAS 39 Financial Instruments: Recognition and Measurement, sets forth new requirements for financial instrument classification and measurement, impairment and hedge accounting. The mandatory effective date of IFRS 9 is January 1, 2018. Although entities may still choose to apply IFRS 9 immediately, the Fund has chosen not to early adopt IFRS 9, and is in the process of assessing the impact of IFRS 9.

### (l) Critical Accounting Estimates and Judgments

#### 1) Fair value measurements of financial instruments not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding.

#### 2) Classification and measurement of financial instruments and application of fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make judgments about the classification of financial instruments and the applicability of the fair value option to its investments which are not held for trading. The fair value option has been applied to the Fund's investments in equity securities as the investments are managed on a fair value basis in accordance with the Fund's investment strategy.

## 4. Redeemable shares

The shares of the Fund are issued and redeemed at their Net Assets attributable to holders of redeemable shares per share. Net Assets attributable to holders of redeemable shares per series per share is determined on a daily basis by dividing the Fund's Net Assets attributable to holders of redeemable shares per series by the total number of shares of the series of the Fund that are outstanding on such valuation date.

# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

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The Fund has no restrictions or specific capital requirements on the issuance and redemptions of shares. In accordance with its investment objectives, strategies, and risk management practices, the Fund endeavors to invest the amounts received on issuance of shares in appropriate investments in order to maximize shareholder value and maintain financial strength while preserving sufficient liquidity to meet redemptions.

During the period, share transactions of the Fund were as follows:

	Series A	Series F
Outstanding at the beginning of the period	-	-
Redeemable shares issued	92,168	464,132
Outstanding at the end of the period	92,168	464,132

### 5. Related Party Transactions

Michael Decter, an officer and director of the Manager of the Fund, made an initial investment of \$150,000 on May 22, 2015 to start up the Fund. As at June 30, 2015, the Manager of the Fund and certain directors and officers of the manager held a total of 260,054 Series F shares of the Fund.

#### Management Fees and Expenses

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:

Series A - 2.00% per annum

Series F - 1.00% per annum

The Fund is responsible for the payment of all expenses relating to its operations and the carrying on of its business. These expenses include, but are not limited to, administration and accounting costs, the costs of any back-office service provider retained by the Manager, transaction costs, audit and legal fees, custodial fees, index licensing fees, regulatory filing fees, the costs of preparing and distributing annual and semi-annual financial statements, prospectuses, shareholder reports and investor communications. At times, the Manager may pay a portion of the expenses otherwise payable by the Fund.

At its sole discretion, the manager may stop absorbing operating expenses and/or waiving management fees at any time. Operating expenses absorbed and/or management fees waived by the manager are disclosed on the statement of comprehensive income.

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 15% of the amount by which the series NAV at the end of the fiscal year (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.

# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

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### 6. Taxation of the Fund and Allocation to Shareholders

LDIC Mutual Fund Corporation Inc. (the “Corporation”) qualifies as a mutual fund corporation under the Income Tax Act (Canada) (the “Act”). The general income tax rules associated with a public corporation also apply to a mutual fund corporation, with the exception that income taxes payable on realized capital gains are refundable on a formula basis when shares are redeemed or capital gains dividends are paid. The Corporation is a single legal entity for tax purposes and is not taxed on a fund-by-fund or class-by-class basis. The Corporation has a tax year-end of December 31. All of the Funds’ expenses, including expenses common to all series of the Funds and management fees and other expenses specific to a particular series of a Fund will be taken into account in determining the income or loss of the Corporation as a whole. Similarly, all of the Fund’s revenues, deductible expenses, capital gains and capital losses and other items relevant to the tax position will be taken into account in determining the income or loss of the Corporation and applicable taxes payable, including refundable capital gains taxes, by the Corporation as a whole. Similarly, the Fund is subject to Part IV tax on dividends received from Canadian corporations; however they are refundable once paid to shareholders. As a result, the Fund does not record income taxes related to capital gains and dividends from Canadian corporations. Interest and foreign income are taxed at normal corporate rates applicable to mutual fund corporations and can be reduced by permitted deductions for tax purposes. All of the Fund’s expenses, including management fees and operating expenses, will be taken into account in determining its overall tax liability, if any. Funds may be subject to foreign taxation related to income received, capital gains on the sale of securities and certain foreign currency transactions in the foreign jurisdictions in which it invests. Foreign taxes, if any, are recorded based on the tax regulations and rates that exist in the foreign markets in which the Funds invest. When capital gain tax is determined to apply, the Funds record an estimated deferred tax liability in an amount that would be payable if the securities were disposed of on the valuation date:-

### 7. Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended was \$7,284.

### 8. Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2015 was nil.

### 9. Financial Risk Management

In the normal course of operations, the Fund’s activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (defined as interest rate risk, currency risk and other price risk). The value of investments in a Fund’s portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic conditions and market news related to specific securities in the portfolio. The level of risk depends on the Fund’s objectives and the type of securities it holds. In order to mitigate risk, depending on conditions, the Manager diversifies the portfolio based on criteria such as asset class, country, industry and currency. Significant risks that are relevant to the Fund are discussed below. “Net Assets” below is defined as Net Assets attributable to holders of redeemable shares.

#### (a) Other market risk

Other price risk represents the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

The Fund is exposed to other price risk from investments in equities. As at June 30, 2015, approximately 38.6% of the Fund’s Net Assets were held directly in equities. If equity prices on the exchanges increased or decreased by 5% as at June 30, 2015, the Net Assets of the Fund would have increased or decreased by approximately \$105,155 or 1.9% of the Net Assets, all other factors remaining constant. In practice, the actual results may differ and the difference could be material.

# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

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### (b) Currency risk

Currency risk is the risk that the fair value of financial instruments denominated in currencies other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate because of changes in foreign exchange rates.

	June 30, 2015	
	Currency Exposure (\$)	Percentage of Net Assets (%)
U.S. Dollar	522,528	9.6

As at June 30, 2015, if the Canadian dollar had strengthened or weakened by 5% in relation to all foreign currencies represented in the portfolio, with all other variables remaining constant, Net Assets would have decreased or increased by approximately \$26,126 of Net Assets. In practice, the actual results may differ and the difference could be material.

### (c) Interest rate risk

As at June 30, 2015, the majority of the Fund's financial assets and liabilities were non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

### (d) Credit risk

As at June 30, 2015, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk.

### (e) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations associated with its financial liabilities. The Fund's primary exposure to liquidity risk relates to its shareholders' right to redeem their shares on any Valuation Date. Liquidity risk is managed by retaining sufficient cash and cash equivalent positions and invests majority of its assets in portfolio investments that are traded in an active market and can be readily disposed. There can be no assurance that an active trading market for the investments will exist at all times, or that the prices at which the securities trade accurately reflect their values.

Thin trading in a security could make it difficult to liquidate holdings quickly. The Manager considers market depth and the relationship between liquidity and size of the position as part of the criteria for approval of a new investment and in its periodic reevaluation of the investment.

### (f) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk.

Investment Sector	June 30, 2015
Consumer Discretionary	15.60%
Health Care	5.00%
Industrials	11.10%
Information Technology	3.00%
Utilities	3.90%
Net Other Assets	61.40%
Total	100.00%

# LDIC North American Small Business Fund (Corporate Class)

## Notes to Financial Statements (unaudited)

June 30, 2015

### 10. Fair Value Disclosure

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2015.

	Financial Assets at Fair Value as at June 30, 2015			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	2,103,102	-	-	2,103,102

### 11. Capital Management

The investment objective of the Fund is to provide long-term capital appreciation and income by investing primarily in equity and fixed income securities of small capitalization companies based in North America. The capital of the Fund is divided into 2 series, Series A and Series F with each series having an unlimited number of shares. The shares issued and outstanding represent the capital of the Fund and shareholders are entitled to distributions when declared.

The Fund manages its capital in accordance with the investment objectives and strategies and the risk management practices outlined in Note 9 under Financial Risk Management. The Manager actively monitors the cash position and financial performance to ensure sufficient liquidity to meet operating expenses, distributions, and redemptions.

### 12. Financial Instruments

The Fund's equity investments are measured at fair value through profit or loss ("FVTPL"). Short-term investments, along with all other financial assets and liabilities, are recognized initially at fair value and subsequently measured at amortized cost which approximates fair value due to their short-term nature.

The following tables present the carrying amounts of the Fund's financial assets by category as at June 30, 2015:

June 30, 2015	Financial assets at FVTPL			Financial assets at amortized cost	
	HFT	Designated at inception	Total	cost	Total
Financial assets at fair value through profit or loss	\$ -	\$ 2,103,102	\$ 2,103,102	\$ -	\$ 2,103,102
Cash	-	-	-	3,407,911	3,407,911
Accrued dividends	-	-	-	1,245	1,245
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,103,102</b>	<b>\$ 2,103,102</b>	<b>\$ 3,409,156</b>	<b>\$ 5,512,258</b>

The following table presents the net gains (losses) on financial instruments at FVTPL by category for the period ended June 30:

Category	Net gains (losses)
	2015
Net gains (losses) on financial instruments at FVTPL:	
Held-for-Trading	-
Designated at inception	(46,907)
<b>Total</b>	<b>(46,907)</b>