



LDIC North American Infrastructure Fund

Management Report of Fund Performance

June 30, 2018

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

LDIC North American Infrastructure Fund
For the period ended June 30, 2018

All figures are reported in Canadian dollars unless otherwise noted.

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

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

Investment Objectives and Strategies

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

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

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

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

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

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

Risk

As of June 30, 2018 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 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 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. However, the level of risk associated with any particular investment depends largely on an investor's personal circumstances. Investors can invest a component of their total portfolio in the Fund to provide portfolio diversification. Investors should consider their personal investment profile and consult their financial advisor before making a decision to invest in the Fund.

Result of Operations

The Fund's performance for the six months period ending June 30, 2018 was -4.6% for Class A and -4.3% for Class F. The benchmark return was 9.57% over the same period. The benchmark is a blend of 70% S&P/TSX Capped Energy Index and 30% S&P Composite 1500 Energy Index.

For the six months provided the underperformance of the Fund is largely accounted for by the sharp rise in the world price of oil. The benchmark is 30% weighted to energy producers and the Fund was significantly underweight energy producers. In both 2016 and 2017 the Fund outperformed its benchmark because of its underweighting in energy producers, in the first six months of 2018 this caused underperformance.

Recent Developments

Dramatic events occurred in 2018 in the Canadian pipeline infrastructure sector. A widening gap between the world price of oil and the much lower price received for Canadian oil shipped to the United States triggered a political battle. Initially Alberta and British Columbia engaged in retaliation actions. Alberta favours the Trans Mountain pipeline of Kinder Morgan. British Columbia opposes it. The dispute became so heated that the Government of Canada stepped in to buy the Kinder Morgan pipeline. It remains unclear how a change in ownership will ensure the pipeline is constructed.

As Canada debated the United States has moved decisively to become a major exporter of oil, LNG and natural gas. Even with Kinder Morgan built which is still a remote possibility, Canada has lost considerable advantage in world energy markets due to an inability to deliver. For the balance of 2018 the Fund will be focused on identifying and investing in US infrastructure.

Oil prices traded above \$70USD per barrel in Q2 of 2018 as supply was reduced and aligned more closely with demand. United States production has now surpassed Saudi Arabia production. More downward price pressure is possible from over supply. As a response to the volatility in the oil and gas energy sector, the Fund has placed a greater weighting to non-oil and gas infrastructure. The Fund has also made investments in geothermal energy infrastructure (Polaris); and aviation infrastructure (Chorus Aviation) internet infrastructure (Nextblock) and water infrastructure (Global Water Resources).

The Fund continues to collect healthy dividend income from its securities held. Currently the fund has approximately a 2.8% running yield (see chart below for top 10 dividend yields). The Fund is currently fully invested with a 5.3% exposure to the US and continues to invest capital in global companies focusing on infrastructure and alternative energy, including:

- Global Water Resource (GWR) is a water resource management and water infrastructure company primarily located in metropolitan Phoenix, Arizona.
- Polaris Infrastructure Inc. (PIF) is a renewable energy company. The Company focuses on the development, production and sale of electricity from geothermal energy.
- NextEra Energy Inc. (NEE) is a leader in community scale gasification systems that convert non-recyclable organic waste into renewable, clean power and heat.
- Inter Pipeline Ltd. (IPL) is a pipeline company located primarily in Western Canada. IPL also operates oil storage facilities in the Danish Straits.

Current Dividend Yield:

Ticker	Company Name	Dividend Yield
IPL	Inter Pipeline Ltd	6.80%
CHR	Chorus Aviation Inc.	6.68%
PIF	Polaris Infrastructure Inc.	6.32%
ENB	Enbridge Inc.	5.86%
SPB	Superior Plus Corp	5.58%
PPL	Pembina Pipeline Corp	4.93%
BIP	Brookfield Infrastructure Partners LP	4.56%
KEY	Keyera Corp	4.52%
GWR	Global Water Resources Inc.	2.98%
NEE	NextEra Energy Inc.	2.64%

Related Party Transactions

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

Class A - 2.00% per annum

Class F - 1.00% per annum

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

As of June 30, 2018, the Manager of the Fund and certain Directors and Officers of the manager held a total of 176,446 units of the F Class units of the Fund.

Management Fees

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

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

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

Financial Highlight

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for period ended June 30, 2018 and for the past five periods ended December 31, as applicable. In the year fund or a series is established, 'Period' represents inception to December 31 of that year. Per unit data is derived from the Fund's financial statements. Ratios and supplemental data are derived from the Fund's Net Asset Value.

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

	CLASS A					
	2018	2017	2016	2015	2014	2013
Net Assets, beginning of period	\$10.74	\$10.63	\$9.37	\$10.91	\$10.99	\$10.00
Increase (decrease) from operations:						
Total revenue	0.11	0.29	0.39	0.49	0.38	0.23
Total expenses	(0.26)	(0.57)	(0.47)	(0.48)	(0.54)	(0.24)
Realized gains (losses) for the period	1.09	0.46	(0.49)	(0.76)	(0.01)	0.17
Unrealized gains (losses) for the period	(1.29)	0.07	2.03	(0.44)	(0.54)	1.26
Total increase (decrease) from operations ⁽²⁾	\$(0.35)	\$0.25	\$1.46	\$(1.19)	\$(0.71)	\$1.42
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.15)	-	-	-	(0.02)	(0.04)
From capital gains	-	-	-	-	-	(0.15)
Return of capital	-	(0.30)	(0.30)	(0.30)	(0.28)	(0.04)
Total annual distributions ⁽³⁾	(0.15)	(0.30)	(0.30)	(0.30)	(0.30)	(0.23)
Net Assets, end of period	\$10.09	\$10.74	\$10.63	\$9.37	\$10.91	\$10.99

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

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year.

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

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

	CLASS F					
	2018	2017	2016	2015	2014	2013
Net Assets, beginning of period	\$11.22	\$11.01	\$9.60	\$11.10	\$11.09	\$10.00
Increase (decrease) from operations:						
Total revenue	0.14	0.30	0.41	0.51	0.38	0.24
Total expenses	(0.23)	(0.50)	(0.38)	(0.39)	(0.44)	(0.17)
Realized gains (losses) for the period	1.17	0.48	(0.53)	(0.80)	(0.02)	0.18
Unrealized gains (losses) for the period	(1.63)	0.19	2.16	(0.49)	(0.36)	1.39
Total increase (decrease) from operations ⁽²⁾	\$(0.55)	\$0.47	\$1.66	\$(1.17)	\$(0.44)	\$1.64
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	(0.15)	-	-	-	(0.02)	(0.04)
From capital gains	-	-	-	-	-	(0.15)
Return of capital	-	(0.30)	(0.30)	(0.30)	(0.28)	(0.04)
Total annual distributions ⁽³⁾	(0.15)	(0.30)	(0.30)	(0.30)	(0.30)	(0.23)
Net Assets, end of period	\$10.59	\$11.22	\$11.01	\$9.60	\$11.10	\$11.09

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

(2) Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial year.

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

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

Ratios and Supplemental Data

Ratios and Supplemental Data

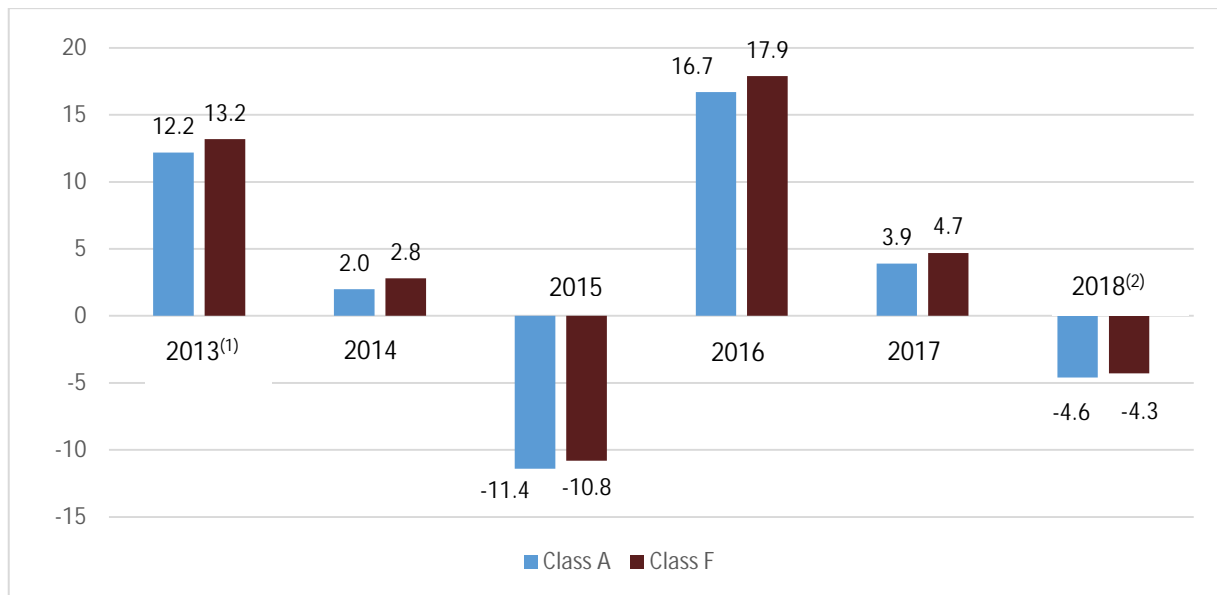
	CLASS A					
	June 30, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013 ⁽⁵⁾
Total Net Asset Value (\$) ⁽¹⁾	995,058	4,283,137	5,766,657	6,115,422	11,144,636	3,723,153
Number of units outstanding ⁽¹⁾	98,582	398,723	542,667	652,527	1,021,276	338,773
Management expense ratio ⁽²⁾	4.17% ⁽⁵⁾	5.18%	4.26%	4.33%	4.27%	3.42% ⁽⁵⁾
Management expense ratio before waivers or absorption ⁽²⁾	4.17% ⁽⁵⁾	5.18%	4.26%	4.33%	4.27%	4.11% ⁽⁵⁾
Management expense ratio excluding performance fees	4.17% ⁽⁵⁾	3.42%	4.14%	3.20%	3.25%	4.11% ⁽⁵⁾
Trading expense ratio ⁽³⁾	0.83% ⁽⁵⁾	0.40%	0.56%	0.24%	0.32%	0.35% ⁽⁵⁾
Portfolio turnover rate ⁽⁴⁾	101.25%	85.41%	128.52%	64.53%	57.97%	65.08%
Net Asset Value per unit (\$)	10.09	10.74	10.63	9.37	10.91	10.99
	CLASS F					
	June 30, 2018	Dec 31, 2017	Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013
Total Net Asset Value (\$) ⁽¹⁾	5,568,571	7,393,465	7,980,413	9,088,342	20,011,076	8,719,848 ⁽¹⁾
Number of units outstanding ⁽¹⁾	525,840	659,071	725,081	946,469	1,802,052	786,118
Management expense ratio ⁽²⁾	3.39% ⁽⁵⁾	4.28%	3.21%	3.37%	3.34%	2.22% ⁽⁵⁾
Management expense ratio before waivers or absorption ⁽²⁾	3.39% ⁽⁵⁾	4.28%	3.21%	3.37%	3.34%	2.79% ⁽⁵⁾
Management expense ratio excluding performance fees	3.39% ⁽⁵⁾	2.43%	3.06%	2.13%	2.12%	2.79% ⁽⁵⁾
Trading expense ratio ⁽³⁾	0.83% ⁽⁵⁾	0.40%	0.56%	0.24%	0.32%	0.35% ⁽⁵⁾
Portfolio turnover rate ⁽⁴⁾	101.25%	85.41%	128.52%	64.53%	57.97%	65.08%
Net Asset Value per unit (\$)	10.59	11.22	11.01	9.60	11.10	11.09

1. The information is provided as at June 30 or December 31 of the period(s) shown, as applicable.
2. Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs before income taxes) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the year. The decision to waive and/or absorb management fees and operating expenses is at the discretion of the Manager. The practice of waiving and/or absorbing management fees and operating expenses may continue indefinitely or may be terminated any time without notice to unitholders.
3. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the 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 an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
5. Percentage are annualized.
6. Units of Class A for this Fund were first issued on May 10, 2013 and Class F were first issued on April 26, 2013.

Past Performance

A) Annual Total Returns (%)

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



(1) Returns for Class A and Class F, are from May 10, 2013 and April 26, 2013 respectively, to December 31, 2013.

(2) Returns for Class A and Class F, are from December 31, 2017 to June 30, 2018.

About the Fund's Benchmark

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

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

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

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

Summary of Investment Portfolio as at June 30, 2018

Top 25 Investments as of June 30, 2018

	% of Fund's Net Asset Value
01 Global Water Resources Inc.	9.0
02 Descartes Systems Group Inc.	8.9
03 Brookfield Infrastructure Partners LP	7.6
04 Enerplus Corp.	7.1
05 Brookfield Business Partners LP	6.9
06 Keyera Corp.	6.1
07 Inter Pipeline Ltd.	5.8
08 Jet Power & Controls Ltd.	5.3
09 NextEra Energy Inc.	5.2
10 Polaris Infrastructure Inc.	5.1
11 Superior Plus Corp.	4.9
12 Brookfield Asset Management Inc.	4.6
13 Enbridge Inc.	4.3
14 Vermilion Energy Inc.	3.8
15 Chorus Aviation Inc.	3.8
16 Hydro One Ltd.	3.4
17 Pembina Pipeline Corp.	3.2
18 SNC-Lavalin Group Inc.	2.5
19 Nextblock Global Limited	2.3
20 Bradmer Pharmaceuticals Inc.	1.7
21 Global Blockchain Mining Corp.	0.4
22 Hut 8 Mining Corp.	0.3
23 Engagement Labs Inc., Warrants	-
24 Global Blockchain Technologies Corp., Warrants	-

102.2

Total Net Asset Value of the Fund as at June 30, 2018: \$6,563,629

As of June 30, 2018, the Fund contains 24 positions and all investments were only long positions.

Sector Mix	% of Fund's Net Asset Value	Geographic Mix	% of Fund's Net Asset Value
Canadian Corporate Bonds	5.6	Canada	89.4
Energy	35.2	United States of America	12.8
Financials	4.6	Cash	1.3
Health Care	1.7	Net Other Liabilities	(3.5)
Industrials	18.4		
Information Technology	8.9		
Materials	0.8		
Utilities	27.0		
Cash	1.3		
Net Other Assets/Liabilities	(3.5)		
	100.0		100.0

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

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