

FORTRESS[®] Funds

2018 Annual Financial Statements



FaithLife
FINANCIAL

Financial Statements of

**FAITHLIFE FINANCIAL
SEGREGATED FUNDS**

Years ended December 31, 2018 and December 31, 2017



KPMG LLP
115 King Street South
2nd Floor
Waterloo ON N2J 5A3
Canada
Tel 519 747-8800
Fax 519 747-8830

INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Directors of FaithLife Financial and to the Contractholders of FaithLife Financial Segregated Funds:

Opinion

We have audited the financial statements of:

Asia Pacific Equity Fund	Canadian Equity Fund (Indexed)
Balanced Fund (Jarislowsky)	Canadian Equity Fund (Value)
Balanced Fund (Laketon)	Canadian Small Cap Equity Fund
Balanced Fund (McLean Budden)	Enhanced Dividend Fund
Balanced Fund (Scheer Rowlett)	European Equity Fund
Balanced Fund (TDQC)	Global Bond Fund
Canadian Bond Fund (Indexed)	Global Equity Fund 2
Canadian Bond Fund	Global Equity Fund
Canadian Equity Fund (Core 2)	International Equity Fund (Indexed)
Canadian Equity Fund (Core)	Money Market Fund 2
Canadian Equity Fund (Growth 2)	Money Market Fund
Canadian Equity Fund (Growth)	U.S. Equity Fund (Indexed)

(collectively, the "Funds"), which comprise:

- the statements of financial position as at December 31, 2018 and December 31, 2017
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to contractholders for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").



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In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2018 and December 31, 2017, and their results of operations, and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the statements of investment portfolio; and
- financial highlights.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors’ report.

We have nothing to report in this regard.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada
February 26, 2019

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS

Statement of Financial Position
As at December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
ASSETS										
Investments at fair value	\$ 1,420	\$ 1,700	\$ 4,916	\$ 6,740	\$ 407	\$ 354	\$ 5,402	\$ 6,784	\$ 4,563	\$ 4,809
Net assets attributable to contractholders	\$ 1,420	\$ 1,700	\$ 4,916	\$ 6,740	\$ 407	\$ 354	\$ 5,402	\$ 6,784	\$ 4,563	\$ 4,809
Net assets attributable to contractholders, per unit	\$ 80.56	\$ 80.06	\$ 171.31	\$ 174.24	\$ 17.90	\$ 17.32	\$ 71.55	\$ 76.41	\$ 23.45	\$ 24.13

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
ASSETS										
Investments at fair value	\$ 42,294	\$ 56,239	\$ 1,902	\$ 2,398	\$ 927	\$ 1,416	\$ 5,007	\$ 6,341	\$ 2,215	\$ 3,692
Net assets attributable to contractholders	\$ 42,294	\$ 56,239	\$ 1,902	\$ 2,398	\$ 927	\$ 1,416	\$ 5,007	\$ 6,341	\$ 2,215	\$ 3,692
Net assets attributable to contractholders, per unit	\$ 43.97	\$ 49.62	\$ 30.25	\$ 35.03	\$ 29.37	\$ 33.43	\$ 332.69	\$ 368.68	\$ 17.66	\$ 25.07

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2018	2017	2018	2017	2018	2017
ASSETS						
Investments at fair value	\$ 1,995	\$ 2,206	\$ 370	\$ 544	\$ 333	\$ 373
Net assets attributable to contractholders	\$ 1,995	\$ 2,206	\$ 370	\$ 544	\$ 333	\$ 373
Net assets attributable to contractholders, per unit	\$ 101.92	\$ 105.99	\$ 15.51	\$ 17.34	\$ 27.08	\$ 29.21

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS 2

Statement of Financial Position
As at December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
ASSETS										
Investments at fair value	\$ 128	\$ 140	\$ 103	\$ 161	\$ 232	\$ 272	\$ 297	\$ 605	\$ 214	\$ 256
Net assets attributable to contractholders	\$ 128	\$ 140	\$ 103	\$ 161	\$ 232	\$ 272	\$ 297	\$ 605	\$ 214	\$ 256
Net assets attributable to contractholders, per unit	\$ 11.76	\$ 11.63	\$ 18.38	\$ 18.54	\$ 23.73	\$ 24.82	\$ 23.46	\$ 25.11	\$ 20.36	\$ 22.25

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
ASSETS										
Investments at fair value	\$ 187	\$ 252	\$ 155	\$ 234	\$ 98	\$ 131	\$ 28	\$ 30	\$ 28	\$ 52
Net assets attributable to contractholders	\$ 187	\$ 252	\$ 155	\$ 234	\$ 98	\$ 131	\$ 28	\$ 30	\$ 28	\$ 52
Net assets attributable to contractholders, per unit	\$ 40.54	\$ 44.57	\$ 25.58	\$ 28.88	\$ 42.98	\$ 49.37	\$ 21.45	\$ 21.64	\$ 21.87	\$ 22.65

	International Equity Fund (Indexed)	
	2018	2017
ASSETS		
Investments at fair value	\$ 54	\$ 62
Net assets attributable to contractholders	\$ 54	\$ 62
Net assets attributable to contractholders, per unit	\$ 16.23	\$ 17.68

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS

Statement of Comprehensive Income
Years ended December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income										
Investment income (loss)	\$ 18	\$ 10	\$ 38	\$ 220	\$ 23	\$ 4	\$ (204)	\$ 521	\$ 12	\$ 536
Expenses										
Management and administrative fees	11	12	148	206	10	10	175	205	137	142
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 7	\$ (2)	\$ (110)	\$ 14	\$ 13	\$ (6)	\$ (379)	\$ 316	\$ (125)	\$ 394
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 0.40	\$ (0.10)	\$ (3.32)	\$ 0.31	\$ 0.60	\$ (0.29)	\$ (4.65)	\$ 3.29	\$ (0.64)	\$ 1.85

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income										
Investment income (loss)	\$ (4,315)	\$ 5,568	\$ (241)	\$ 269	\$ (104)	\$ 105	\$ (381)	\$ 688	\$ (867)	\$ (165)
Expenses										
Management and administrative fees	1,480	1,676	66	82	33	48	170	193	114	177
Net increase (decrease) in net assets from operations attributable to contractholders	\$ (5,795)	\$ 3,892	\$ (307)	\$ 187	\$ (137)	\$ 57	\$ (551)	\$ 495	\$ (981)	\$ (342)
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ (5.48)	\$ 3.17	\$ (4.68)	\$ 2.42	\$ (3.87)	\$ 1.14	\$ (34.73)	\$ 26.50	\$ (7.26)	\$ (1.77)

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2018	2017	2018	2017	2018	2017
Income						
Investment income (loss)	\$ (11)	\$ 316	\$ (26)	\$ 161	\$ (14)	\$ 54
Expenses						
Management and administrative fees	64	65	13	19	11	12
Net increase (decrease) in net assets from operations attributable to contractholders	\$ (75)	\$ 251	\$ (39)	\$ 142	\$ (25)	\$ 42
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ (3.69)	\$ 11.51	\$ (1.50)	\$ 3.70	\$ (1.99)	\$ 2.85

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS 2

Statement of Comprehensive Income
Years ended December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income										
Investment income (loss)	\$ 2	\$ 2	\$ -	\$ 5	\$ (4)	\$ 17	\$ (15)	\$ 56	\$ (15)	\$ 19
Expenses										
Management and administrative fees	1	1	2	4	7	7	11	17	5	6
Net increase (decrease) in net assets from operations attributable to contractholders	\$ 1	\$ 1	\$ (2)	\$ 1	\$ (11)	\$ 10	\$ (26)	\$ 39	\$ (20)	\$ 13
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ 0.09	\$ 0.08	\$ (0.32)	\$ 0.10	\$ (1.06)	\$ 0.90	\$ (1.64)	\$ 1.54	\$ (1.84)	\$ 0.99

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income										
Investment income (loss)	\$ (12)	\$ 16	\$ (15)	\$ 19	\$ (13)	\$ 13	\$ 1	\$ 4	\$ 1	\$ 10
Expenses										
Management and administrative fees	6	7	5	7	2	3	1	1	1	2
Net increase (decrease) in net assets from operations attributable to contractholders	\$ (18)	\$ 9	\$ (20)	\$ 12	\$ (15)	\$ 10	\$ -	\$ 3	\$ -	\$ 8
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ (3.53)	\$ 1.56	\$ (2.96)	\$ 1.38	\$ (6.39)	\$ 3.43	\$ -	\$ 2.15	\$ -	\$ 3.22

	International Equity Fund (Indexed)	
	2018	2017
Income		
Investment income (loss)	\$ (4)	\$ 12
Expenses		
Management and administrative fees	1	2
Net increase (decrease) in net assets from operations attributable to contractholders	\$ (5)	\$ 10
Net increase (decrease) in net assets from operations attributable to contractholders, per unit	\$ (1.48)	\$ 2.50

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS

Statement of Changes in Net Assets Attributable to Contractholders
Years ended December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to contractholders, beginning of year	\$ 1,700	\$ 1,642	\$ 6,740	\$ 8,658	\$ 354	\$ 371	\$ 6,784	\$ 7,404	\$ 4,809	\$ 4,825
Contractholders' contributions	15	25	118	161	40	26	121	108	167	122
Transfers between funds	56	393	24	(124)	24	38	(62)	(227)	294	101
Contractholders' withdrawals	(358)	(358)	(1,856)	(1,969)	(24)	(75)	(1,062)	(817)	(582)	(633)
Net increase (decrease) in net assets from operations attributable to contractholders	7	(2)	(110)	14	13	(6)	(379)	316	(125)	394
Net assets attributable to contractholders, end of year	\$ 1,420	\$ 1,700	\$ 4,916	\$ 6,740	\$ 407	\$ 354	\$ 5,402	\$ 6,784	\$ 4,563	\$ 4,809

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to contractholders, beginning of year	\$ 56,239	\$ 56,123	\$ 2,398	\$ 2,732	\$ 1,416	\$ 1,702	\$ 6,341	\$ 6,782	\$ 3,692	\$ 8,109
Contractholders' contributions	1,951	2,943	38	44	10	37	58	79	68	77
Transfers between funds	(117)	3,799	(30)	(204)	(44)	(157)	(67)	(149)	(30)	(3,467)
Contractholders' withdrawals	(9,984)	(10,518)	(197)	(361)	(318)	(223)	(774)	(866)	(534)	(685)
Net increase (decrease) in net assets from operations attributable to contractholders	(5,795)	3,892	(307)	187	(137)	57	(551)	495	(981)	(342)
Net assets attributable to contractholders, end of year	\$ 42,294	\$ 56,239	\$ 1,902	\$ 2,398	\$ 927	\$ 1,416	\$ 5,007	\$ 6,341	\$ 2,215	\$ 3,692

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2018	2017	2018	2017	2018	2017
Net assets attributable to contractholders, beginning of year	\$ 2,206	\$ 2,148	\$ 544	\$ 615	\$ 373	\$ 387
Contractholders' contributions	95	29	11	9	9	17
Transfers between funds	(13)	(13)	(31)	(31)	(2)	39
Contractholders' withdrawals	(218)	(209)	(115)	(191)	(22)	(112)
Net increase (decrease) in net assets from operations attributable to contractholders	(75)	251	(39)	142	(25)	42
Net assets attributable to contractholders, end of year	\$ 1,995	\$ 2,206	\$ 370	\$ 544	\$ 333	\$ 373

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS 2

Statement of Changes in Net Assets Attributable to Contractholders
Years ended December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to contractholders, beginning of year	\$ 140	\$ 142	\$ 161	\$ 238	\$ 272	\$ 268	\$ 605	\$ 610	\$ 256	\$ 290
Contractholders' contributions	-	-	2	2	3	4	2	3	3	4
Transfers between funds	16	-	-	(10)	-	-	(4)	7	(1)	-
Contractholders' withdrawals	(29)	(3)	(58)	(70)	(32)	(10)	(280)	(54)	(24)	(51)
Net increase (decrease) in net assets from operations attributable to contractholders	1	1	(2)	1	(11)	10	(26)	39	(20)	13
Net assets attributable to contractholders, end of year	\$ 128	\$ 140	\$ 103	\$ 161	\$ 232	\$ 272	\$ 297	\$ 605	\$ 214	\$ 256

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net assets attributable to contractholders, beginning of year	\$ 252	\$ 257	\$ 234	\$ 264	\$ 131	\$ 144	\$ 30	\$ 27	\$ 52	\$ 56
Contractholders' contributions	3	2	4	4	5	3	-	-	-	-
Transfers between funds	(2)	-	(3)	-	(1)	1	-	-	(2)	-
Contractholders' withdrawals	(48)	(16)	(60)	(46)	(22)	(27)	(2)	-	(22)	(12)
Net increase (decrease) in net assets from operations attributable to contractholders	(18)	9	(20)	12	(15)	10	-	3	-	8
Net assets attributable to contractholders, end of year	\$ 187	\$ 252	\$ 155	\$ 234	\$ 98	\$ 131	\$ 28	\$ 30	\$ 28	\$ 52

	International Equity Fund (Indexed)	
	2018	2017
Net assets attributable to contractholders, beginning of year	\$ 62	\$ 83
Contractholders' contributions	2	-
Transfers between funds	(4)	1
Contractholders' withdrawals	(1)	(32)
Net increase (decrease) in net assets from operations attributable to contractholders	(5)	10
Net assets attributable to contractholders, end of year	\$ 54	\$ 62

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS

Statement of Cash Flows

Years ended December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund		Canadian Bond Fund		Global Bond Fund		Balanced Fund (Laketon)		Balanced Fund (McLean Budden)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Contractholders' contributions	\$ 15	\$ 25	\$ 118	\$ 161	\$ 40	\$ 26	\$ 121	\$ 108	\$ 167	\$ 122
Transfers between funds	56	393	24	(124)	24	38	(62)	(227)	294	101
Contractholders' withdrawals	(358)	(358)	(1,856)	(1,969)	(24)	(75)	(1,062)	(817)	(582)	(633)
Proceeds on sale of investments	4,440	1,648	2,283	2,462	23	75	1,195	1,271	639	1,135
Purchase of investments	(4,153)	(1,708)	(569)	(530)	(63)	(64)	(192)	(335)	(518)	(725)
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
Cash, end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Enhanced Dividend Fund		Canadian Equity Fund (Value)		Canadian Equity Fund (Core)		Canadian Equity Fund (Growth)		Canadian Small Cap Equity Fund	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Contractholders' contributions	\$ 1,951	\$ 2,943	\$ 38	\$ 44	\$ 10	\$ 37	\$ 58	\$ 79	\$ 68	\$ 77
Transfers between funds	(117)	3,799	(30)	(204)	(44)	(157)	(67)	(149)	(30)	(3,467)
Contractholders' withdrawals	(9,984)	(10,518)	(197)	(361)	(318)	(223)	(774)	(866)	(534)	(685)
Proceeds on sale of investments	14,689	12,663	227	615	365	388	846	1,047	566	4,179
Purchase of investments	(6,539)	(8,887)	(38)	(94)	(13)	(45)	(63)	(111)	(70)	(104)
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
Cash, end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Global Equity Fund		Asia Pacific Equity Fund		European Equity Fund	
	2018	2017	2018	2017	2018	2017
Contractholders' contributions	\$ 95	\$ 29	\$ 11	\$ 9	\$ 9	\$ 17
Transfers between funds	(13)	(13)	(31)	(31)	(2)	39
Contractholders' withdrawals	(218)	(209)	(115)	(191)	(22)	(112)
Proceeds on sale of investments	246	241	146	228	24	139
Purchase of investments	(110)	(48)	(11)	(15)	(9)	(83)
Increase (decrease) in cash during the period	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-
Cash, end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FAITHLIFE FINANCIAL
SEGREGATED FUNDS - FORTRESS 2

Statement of Cash Flows

Years ended December 31, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	Money Market Fund 2		Canadian Bond Fund (Indexed)		Balanced Fund (Jarislowsky)		Balanced Fund (Scheer Rowlett)		Balanced Fund (TDQC)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Contractholders' contributions	\$ -	\$ -	\$ 2	\$ 2	\$ 3	\$ 4	\$ 2	\$ 3	\$ 3	\$ 4
Transfers between funds	16	-	-	(10)	-	-	(4)	7	(1)	-
Contractholders' withdrawals	(29)	(3)	(58)	(70)	(32)	(10)	(280)	(54)	(24)	(51)
Proceeds on sale of investments	29	3	58	79	32	10	284	54	25	51
Purchase of investments	(16)	-	(2)	(1)	(3)	(4)	(2)	(10)	(3)	(4)
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
Cash, end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Canadian Equity Fund (Core 2)		Canadian Equity Fund (Growth 2)		Canadian Equity Fund (Indexed)		U.S. Equity Fund (Indexed)		Global Equity Fund 2	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Contractholders' contributions	3	2	4	4	5	3	-	-	-	-
Transfers between funds	(2)	-	(3)	-	(1)	1	-	-	(2)	-
Contractholders' withdrawals	(48)	(16)	(60)	(46)	(22)	(27)	(2)	-	(22)	(12)
Proceeds on sale of investments	50	16	63	46	23	27	2	-	24	12
Purchase of investments	(3)	(2)	(4)	(4)	(5)	(4)	-	-	-	-
Increase (decrease) in cash during the period	-	-	-	-	-	-	-	-	-	-
Cash, beginning of period	-	-	-	-	-	-	-	-	-	-
Cash, end of period	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	International Equity Fund (Indexed)	
	2018	2017
Contractholders' contributions	2	-
Transfers between funds	(4)	1
Contractholders' withdrawals	(1)	(32)
Proceeds on sale of investments	5	32
Purchase of investments	(2)	(1)
Increase (decrease) in cash during the period	-	-
Cash, beginning of period	-	-
Cash, end of period	\$ -	\$ -

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Statement of Investment Portfolio (Unaudited)

as at December 31, 2018

(in thousands of Canadian dollars)

SEGREGATED FUNDS - FORTRESS

Holdings	Fund Name	Issuer/Description	Cost	Market Value	% of Portfolio
75,500	Balanced Fund (Laketon)	Cda Life Managed Fund (Laketon)	\$ -	\$ 5,402	7.53
15,049	Cdn. Equity Fund (Growth)	Cda Life Canadian Equity Fund (Laketon)	-	5,007	6.98
961,986	Enhanced Dividend Fund	Cda Life Enhanced Dividend Fund (Laketon)	-	42,294	58.94
28,695	Cdn Bond Fund	Cda Life Fixed Income Fund (Laketon)	-	4,916	6.85
19,572	Global Equity Fund	Cda Life Global Equity Fund	-	1,995	2.78
125,464	Cdn. Small-Cap Equity Fund	Cda Life Small Cap Equity Fund (Bissett)	-	2,215	3.09
194,593	Balanced Fund (McLean Budden)	Cda Life Balanced Fund (McLean Budden)	-	4,563	6.36
62,884	Cdn. Equity Fund (Value)	Cda Life Canadian Equity Fund (SRA)	-	1,902	2.65
17,637	Money Market Fund	Cda Life Money Market Fund (Laketon)	-	1,420	1.98
31,554	Cdn. Equity Fund (Core)	Cda Life Canadian Equity Fund (Bissett)	-	927	1.29
12,288	European Equity Fund	Cda Life European Equity Fund	-	333	0.46
22,709	Global Bond Fund	Cda Life International Bond Fund (Laketon)	-	407	0.57
23,863	Asia Pacific Equity Fund	Cda Life Far East Equity Fund	-	370	0.52
TOTAL NET ASSETS			\$ -	\$ 71,751	100.00

SEGREGATED FUNDS - FORTRESS 2

Holdings	Fund Name	Issuer/Description	Cost	Market Value	% of Portfolio
9,787	Balanced Fund (Jarislowsky)	Cda Life Balanced Fund (Jarislowsky Fraser)	\$ -	\$ 232	15.22
5,608	Cdn. Bond Fund (Indexed)	TDAM Emerald Canadian Bond Index Fund	104	103	6.76
4,604	Cdn. Equity Fund (Core 2)	Cda Life Canadian Equity Fund (Jarislowsky Fraser)	-	187	12.27
10,885	Money Market Fund 2	TDAM Emerald Short-Term Investment Fund	129	128	8.40
6,051	Cdn. Equity Fund (Growth 2)	Cda Life Canadian Equity Fund (Greystone)	-	155	10.17
12,651	Balanced Fund (Scheer Rowlett)	Cda Life Balanced Fund (SRA)	-	297	19.49
10,508	Balanced Fund (TDQC)	TDAM Emerald Balanced Fund	181	214	14.04
2,274	Cdn. Equity Fund (Indexed)	TDAM Emerald Canadian Equity Index Fund	63	98	6.43
3,321	Int'l Equity Fund (Indexed)	TDAM Emerald International Equity Index Fund	40	54	3.54
1,297	Global Equity Fund 2	Cda Life Global Equity Fund (McLean Budden)	-	28	1.84
1,325	U.S. Equity Fund (Indexed)	TDAM Emerald U.S. Market Index Fund	17	28	1.84
TOTAL NET ASSETS			\$ 534	\$ 1,524	100.00

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements

Years ended December 31, 2018 and 2017

FaithLife Financial (the "Society") is a fraternal benefit society, incorporated by an Act of the Parliament of Canada on June 28, 1972. Its operations are governed by the Insurance Companies Act of Canada and the Insurance Acts of the provinces in which the Society operates. FaithLife Financial Segregated Funds are segregated funds established by the Society under the Insurance Companies Act.

1. Description of the Funds:

The FORTRESS® Funds consist of 13 segregated funds and the FORTRESS® 2 Funds consist of 11 segregated funds maintained by FaithLife Financial in respect of variable deferred annuity contracts issued under the FORTRESS® and FORTRESS® 2 Fund plans. The assets of each fund are segregated from the other assets of the Society and are invested in funds managed by third party investment managers. The Funds are not separate legal entities. The following Funds were established by a resolution of the Board of Directors of the Society:

Asia Pacific Equity Fund	Canadian Equity Fund (Indexed)
Balanced Fund (Jarislowsky)	Canadian Equity Fund (Value)
Balanced Fund (Laketon)	Canadian Small Cap Equity Fund
Balanced Fund (McLean Budden)	Enhanced Dividend Fund
Balanced Fund (Scheer Rowlett)	European Equity Fund
Balanced Fund (TDQC)	Global Bond Fund
Canadian Bond Fund (Indexed)	Global Equity Fund 2
Canadian Bond Fund	Global Equity Fund
Canadian Equity Fund (Core 2)	International Equity Fund (Indexed)
Canadian Equity Fund (Core)	Money Market Fund 2
Canadian Equity Fund (Growth 2)	Money Market Fund
Canadian Equity Fund (Growth)	U.S. Equity Fund (Indexed)

2. Basis of presentation:

(a) Statement of compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Board of Directors on February 26, 2019.

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

2. Basis of presentation (continued):

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss that have been measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Funds' functional currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand (excluding per unit amounts).

(d) Use of estimates and judgments:

The preparation of financial statements in conformity with IFRS requires management to make certain critical accounting estimates and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expense during the year. Actual results could differ from those estimates.

3. Significant accounting policies:

The significant accounting policies used in the preparation of these financial statements are summarized below. The Funds have consistently applied the following accounting policies to all periods presented in these financial statements, except as mentioned in note 4.

(a) Financial assets and financial liabilities:

The Funds initially recognizes financial assets and financial liabilities at fair value through profit or loss (FVTPL) on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

On initial recognition, the Funds classify financial assets as measured at amortized cost or FVTPL. A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI)

The Funds classified financial assets into the following categories:

- Financial assets held at FVTPL: investments at fair value
- Financial assets at amortized cost: cash and cash equivalents

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

3. Significant accounting policies (continued):

(a) Financial assets and financial liabilities (continued):

The Funds designated all its investments as at FVTPL on initial recognition because it managed these securities on a fair value basis in accordance with its investment strategy.

Financial assets as at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income and expense, are recognized in profit or loss in investment income (loss) in the statement of comprehensive income.

'Fair value' is 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 in the principal, or in its absence, the most advantageous market to which the Fund has access to at that date. The fair value of a liability reflects its non-performance risk.

When available, the Funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The Funds derecognize a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Funds neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss.

The Funds derecognize a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

(b) Investment income:

Investment income comprises the changes in fair value of investments.

(c) Investment expenses:

Expenses are recorded on the accrual basis.

4. Changes in accounting policies:

The Fund has initially applied IFRS 9 from January 1, 2018. As permitted by the transition provisions of IFRS 9, comparative information throughout these financial statements has not generally been restated to reflect the requirements of the standard.

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

4. Changes in accounting policies (continued):

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 has not had a significant effect on the Funds' accounting policies related to financial liabilities.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Funds' financial assets and financial liabilities as at January 1, 2018.

	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial asset				
Cash and cash equivalents	Loans and receivables	Amortized cost	-	-
Investments at fair value	Designated at FVTPL	Mandatorily at FVTPL	95,791	95,791

For an explanation of how the Funds classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note 3(a).

5. Net asset value attributable to contractholders:

Each fund is subdivided into units and these units are attributed to individual contracts for the purpose of determining the value of the benefits under those contracts. A contractholder acquires no direct claim on the units or assets of a fund by purchasing a contract, but only the benefits which are provided under the contract. Units are attributed to and withdrawn from a contract when required by the terms of the contract.

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

6. Management and administrative fees:

In return for investment management and administrative services, the Society is paid a management fee from the Funds. These fees are a per annum percentage of the daily average net assets of the Funds and are as follows:

(a) FORTRESS® Funds:

	2018	2017
Money Market Fund	0.75%	0.75%
Canadian Bond Fund	2.60%	2.60%
Global Bond Fund	2.60%	2.60%
Balanced Fund (Laketon)	2.85%	2.85%
Balanced Fund (McLean Budden)	2.85%	2.85%
Enhanced Dividend Fund	2.90%	2.90%
Canadian Equity Fund (Value)	2.95%	2.95%
Canadian Equity Fund (Core)	2.95%	2.95%
Canadian Equity Fund (Growth)	2.95%	2.95%
Canadian Small Cap Equity Fund	3.75%	3.75%
Global Equity Fund	2.95%	2.95%
Asia Pacific Equity Fund	3.05%	3.05%
European Equity Fund	2.95%	2.95%

(b) FORTRESS® 2 Funds:

	2018	2017
Money Market Fund 2	0.75%	0.75%
Canadian Bond Fund (Indexed)	2.35%	2.35%
Balanced Fund (Jarislowsky)	2.70%	2.70%
Balanced Fund (Scheer Rowlett)	2.70%	2.70%
Balanced Fund (TDQC)	2.45%	2.45%
Canadian Equity Fund (Core 2)	2.75%	2.75%
Canadian Equity Fund (Growth 2)	2.75%	2.75%
Canadian Equity Fund (Indexed)	2.50%	2.50%
U.S. Equity Fund (Indexed)	2.65%	2.65%
Global Equity Fund 2	2.90%	2.90%
International Equity Fund (Indexed)	2.65%	2.65%

*Harmonized sales tax ("HST") is applicable on the management fees paid.

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

7. Taxation of the funds:

Each fund is treated as a separate segregated fund trust under the Income Tax Act (Canada). Income and realized gains and losses, as applicable, are allocated to owners and their beneficiaries. Accordingly, under current tax legislation, there is no income tax liability owing by a fund.

8. Investments:

IFRS 7 requires the Funds to classify fair value measurements using a hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy has the following levels:

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

The Funds invest in other investment funds and these investments are classified as Level 1 which are valued on a daily basis and redeemable on demand.

9. Financial instruments and associated risks:

In the normal course of business, the Funds are indirectly exposed to a variety of financial risks, including market risk (consisting of currency risk, interest rate risk and other price risk), credit risk and liquidity risk through their investment in underlying funds. The value of investments within the underlying funds' portfolio can fluctuate on a daily basis as a result of changes in interest rates, economic and market conditions and company news specific to securities within an underlying fund. The level of risk depends on each underlying funds' investment objectives, which dictates the type of securities it invests in. The Manager seeks to manage these risks by employing experienced portfolio managers who invest in accordance with the investment objectives of the Funds as outlined in the simplified prospectus.

Specific financial risks that the Funds are indirectly exposed to through the underlying funds are as follows:

(i) Currency risk

Currency risk is the risk that the fair value of, or cash flows associated with, a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments denominated in a currency other than the functional currency of the Funds.

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

9. Financial instruments and associated risks (continued):

(ii) Interest rate risk

Interest rate risk arises when a fund invests in interest-bearing financial instruments. The fund is exposed to the risk the fair value of, or cash flows associated with, such financial instrument will fluctuate due to changes in the prevailing levels of market interest rates.

(i) Other price risk

Other price risk is the risk that the market value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). All investments represent a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the market value of the financial instrument.

(i) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation of commitment that it has entered into with a fund. Where a fund invests in debt instruments, this represents the main concentration of credit risk.

(i) Liquidity risk

Liquidity risk is defined as the risk that a fund may not be able to settle or meet its obligations on time.

10. Underlying funds:

The financial statements for the underlying funds of third parties are available upon request from Member Services at the Society. The percentage ownership in the underlying funds is as follows:

(a) FORTRESS® Funds:

	2018	2017
Money Market Fund	0.81%	1.30%
Canadian Bond Fund	7.60%	6.17%
Global Bond Fund	4.72%	1.75%
Balanced Fund (Laketon)	7.39%	3.43%
Balanced Fund (McLean Budden)	6.81%	49.14%
Enhanced Dividend Fund	4.21%	4.82%
Canadian Equity Fund (Value)	1.68%	23.88%
Canadian Equity Fund (Core)	0.45%	2.51%
Canadian Equity Fund (Growth)	4.98%	5.64%
Canadian Small Cap Equity Fund	3.49%	5.57%
Global Equity Fund	0.86%	2.72%
Asia Pacific Equity Fund	0.46%	1.00%
European Equity Fund	0.60%	0.97%

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Notes to Financial Statements (continued)

Years ended December 31, 2018 and 2017

10. Underlying funds (continued):

(b) FORTRESS® 2 Funds:

	2018	2017
Money Market Fund 2	0.01%	0.01%
Canadian Bond Fund (Indexed)	0.01%	0.01%
Balanced Fund (Jarislowsky)	0.10%	1.48%
Balanced Fund (Scheer Rowlett)	0.16%	1.77%
Balanced Fund (TDQC)	0.03%	0.03%
Canadian Equity Fund (Core 2)	0.03%	1.19%
Canadian Equity Fund (Growth 2)	0.13%	12.80%
Canadian Equity Fund (Indexed)	0.01%	0.01%
U.S. Equity Fund (Indexed)	0.01%	0.01%
Global Equity Fund 2	0.07%	2.99%
International Equity Fund (Indexed)	0.01%	0.01%

11. Management expense ratio:

The management expense ratio for a segregated fund is the ratio of the total expenses of the Fund, including GST and HST, divided by the average fund value. As these amounts are finalized in April of the subsequent calendar year, the percentages shown as at December 31, 2018 represent management's estimated ratio. The Society only offers one fee option for its segregated funds.

The Society currently absorbs the costs for auditing, regulatory compliance and mailing statements to policyholders although it is allowed to charge these costs to the Funds. If the costs had been charged to the Funds in 2018, each fund's management expense ratio would have increased by 0.04% (2017 - 0.06%).

12. Financial highlights

Unaudited financial highlights are shown in the attached Schedule 1.

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Schedule 1: Financial Highlights (Unaudited)

Net asset value per unit:

The Funds' net asset per unit at December 31:

(a) FORTRESS® Funds:

	2018	2017	2016	2015	2014
Money Market Fund	\$ 80.56	\$ 80.06	\$ 80.11	\$ 80.27	\$ 80.24
Canadian Bond Fund	171.31	174.24	174.21	175.47	175.31
Global Bond Fund	17.90	17.32	17.61	18.21	16.39
Balanced Fund (Laketon)	71.55	76.41	73.15	70.93	69.24
Balanced Fund (McLean Budden)	23.45	24.13	22.31	21.71	20.99
Enhanced Dividend Fund	43.97	49.62	46.42	38.84	42.04
Canadian Equity Fund (Value)	30.25	35.03	32.53	26.25	29.42
Canadian Equity Fund (Core)	29.37	33.43	32.29	26.93	29.91
Canadian Equity Fund (Growth)	332.69	368.68	341.75	319.50	337.64
Canadian Small Cap Equity Fund	17.66	25.07	25.84	20.39	25.80
Global Equity Fund	101.92	105.99	94.56	89.07	79.10
Asia Pacific Equity Fund	15.51	17.34	13.77	14.41	15.16
European Equity Fund	27.08	29.21	26.15	27.21	22.00

(b) FORTRESS® 2 Funds:

	2018	2017	2016	2015	2014
Money Market Fund 2	\$ 11.76	\$ 11.63	\$ 11.60	\$ 11.58	\$ 11.54
Canadian Bond Fund (Indexed)	18.38	18.54	18.51	18.69	18.47
Balanced Fund (Jarislowsky)	23.73	24.82	23.88	22.99	21.88
Balanced Fund (Scheer Rowlett)	23.46	25.11	23.52	21.79	21.61
Balanced Fund (TDQC)	20.36	22.25	21.29	20.64	20.54
Canadian Equity Fund (Core 2)	40.54	44.57	43.09	37.42	39.46
Canadian Equity Fund (Growth 2)	25.58	28.88	27.48	25.32	27.74
Canadian Equity Fund (Indexed)	42.98	49.37	46.34	39.22	44.38
U.S. Equity Fund (Indexed)	21.45	21.64	19.57	18.64	15.77
Global Equity Fund 2	21.87	22.65	19.73	19.92	17.14
International Equity Fund (Indexed)	16.23	17.68	15.52	16.31	14.05

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Schedule 1: Financial Highlights (Unaudited)

Number of units outstanding:

The number of units outstanding as at December 31:

(a) FORTRESS® Funds:

	2018	2017	2016	2015	2014
Money Market Fund	17,637	21,230	20,497	22,140	20,497
Canadian Bond Fund	28,695	38,682	49,701	58,357	49,701
Global Bond Fund	22,709	20,412	21,059	20,633	21,059
Balanced Fund (Laketon)	75,500	88,786	101,213	117,486	101,213
Balanced Fund (McLean Budden)	194,593	199,265	216,294	236,955	216,294
Enhanced Dividend Fund	961,986	1,133,424	1,209,118	1,304,394	1,209,118
Canadian Equity Fund (Value)	62,884	68,470	83,977	93,857	83,977
Canadian Equity Fund (Core)	31,554	42,353	52,715	59,485	52,715
Canadian Equity Fund (Growth)	15,049	17,198	19,846	23,304	19,846
Canadian Small Cap Equity Fund	125,464	147,277	313,849	340,453	313,849
Global Equity Fund	19,572	20,814	22,720	24,868	22,720
Asia Pacific Equity Fund	23,863	31,395	44,614	50,574	44,614
European Equity Fund	12,288	12,782	14,793	15,790	14,793

(b) FORTRESS® 2 Funds:

	2018	2017	2016	2015	2014
Money Market Fund 2	10,885	12,034	12,268	7,178	12,268
Canadian Bond Fund (Indexed)	5,608	8,670	12,866	17,263	12,866
Balanced Fund (Jarislowsky)	9,787	10,950	11,210	12,781	11,210
Balanced Fund (Scheer Rowlett)	12,651	24,089	25,949	40,335	25,949
Balanced Fund (TDQC)	10,508	11,513	13,605	15,395	13,605
Canadian Equity Fund (Core 2)	4,604	5,648	5,962	7,768	5,962
Canadian Equity Fund (Growth 2)	6,051	8,101	9,614	21,328	9,614
Canadian Equity Fund (Indexed)	2,274	2,655	3,111	3,899	3,111
U.S. Equity Fund (Indexed)	1,325	1,403	1,389	2,555	1,389
Global Equity Fund 2	1,297	2,290	2,843	3,087	2,843
International Equity Fund (Indexed)	3,321	3,485	5,323	5,718	5,323

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Schedule 1: Financial Highlights (Unaudited)

Management expense ratios:

The unaudited management expense ratios for each fund for the last five financial years are as follows:

(a) FORTRESS® Funds:

	Estimated 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Money Market Fund	0.86%	0.86%	0.86%	0.85%	0.85%
Canadian Bond Fund	2.76%	2.76%	2.88%	2.89%	2.87%
Global Bond Fund	2.73%	2.75%	2.85%	2.85%	2.85%
Balanced Fund (Laketon)	3.14%	3.14%	3.14%	3.14%	3.13%
Balanced Fund (McLean Budden)	3.02%	3.19%	3.18%	3.19%	3.17%
Enhanced Dividend Fund	3.28%	3.28%	3.28%	3.28%	3.27%
Canadian Equity Fund (Value)	3.12%	3.28%	3.29%	3.29%	3.29%
Canadian Equity Fund (Core)	3.10%	3.24%	3.24%	3.25%	3.25%
Canadian Equity Fund (Growth)	3.22%	3.22%	3.22%	3.22%	3.24%
Canadian Small Cap Equity Fund	3.95%	4.17%	4.17%	4.16%	4.15%
Global Equity Fund	3.23%	3.23%	3.23%	3.23%	3.22%
Asia Pacific Equity Fund	3.35%	3.35%	3.37%	3.37%	3.37%
European Equity Fund	3.20%	3.20%	3.20%	3.19%	3.19%

(b) FORTRESS® 2 Funds:

	Estimated 2018	Actual 2017	Actual 2016	Actual 2015	Actual 2014
Money Market Fund 2	0.86%	0.86%	0.87%	0.86%	0.86%
Canadian Bond Fund (Indexed)	2.60%	2.60%	2.60%	2.61%	2.61%
Balanced Fund (Jarislowsky)	2.84%	2.96%	2.96%	2.97%	2.97%
Balanced Fund (Scheer Rowlett)	2.82%	2.83%	2.91%	2.90%	2.91%
Balanced Fund (TDQC)	2.74%	2.74%	2.74%	2.74%	2.74%
Canadian Equity Fund (Core 2)	2.88%	2.99%	2.99%	2.99%	2.99%
Canadian Equity Fund (Growth 2)	2.87%	2.96%	2.96%	2.97%	2.97%
Canadian Equity Fund (Indexed)	2.76%	2.77%	2.76%	2.77%	2.77%
U.S. Equity Fund (Indexed)	2.94%	2.94%	2.94%	2.94%	2.95%
Global Equity Fund 2	3.01%	3.02%	3.09%	3.09%	3.10%
International Equity Fund (Indexed)	2.95%	2.95%	2.95%	2.96%	2.95%

FAITHLIFE FINANCIAL SEGREGATED FUNDS

Schedule 1: Financial Highlights (Unaudited)

Portfolio turnover ratio:

The portfolio turnover ratio for a segregated fund is the ratio of the lesser of the amounts of the purchases and sales of portfolio securities for the year by the average monthly portfolio value.

The unaudited portfolio turnover ratios for each fund for the last five financial years are as follows:

(a) FORTRESS® Funds:

	2018	2017	2016	2015	2014
Money Market Fund	292.23%	104.73%	30.43%	19.24%	18.23%
Canadian Bond Fund	10.00%	6.70%	7.43%	6.61%	3.63%
Global Bond Fund	6.36%	17.67%	25.17%	8.86%	5.13%
Balanced Fund (Laketon)	3.13%	5.00%	3.23%	4.80%	5.10%
Balanced Fund (McLean Budden)	10.87%	14.63%	5.90%	16.10%	10.48%
Enhanced Dividend Fund	12.82%	15.42%	4.19%	3.79%	6.68%
Canadian Equity Fund (Value)	1.71%	3.64%	1.63%	2.45%	2.52%
Canadian Equity Fund (Core)	1.16%	2.75%	1.83%	1.93%	3.30%
Canadian Equity Fund (Growth)	1.09%	1.72%	1.54%	2.43%	1.68%
Canadian Small Cap Equity Fund	2.31%	2.18%	2.39%	2.70%	5.09%
Global Equity Fund	5.05%	2.12%	4.29%	6.09%	7.00%
Asia Pacific Equity Fund	2.45%	2.47%	1.84%	4.63%	1.87%
European Equity Fund	2.50%	19.79%	1.29%	3.60%	5.41%

(b) FORTRESS® 2 Funds:

	2018	2017	2016	2015	2014
Money Market Fund 2	11.65%	0.00%	47.50%	13.63%	0.08%
Canadian Bond Fund (Indexed)	1.37%	0.93%	3.44%	12.51%	2.63%
Balanced Fund (Jarislowsky)	1.34%	1.31%	4.29%	1.81%	1.73%
Balanced Fund (Scheer Rowlett)	0.58%	1.55%	0.36%	2.51%	0.76%
Balanced Fund (TDQC)	1.14%	1.54%	2.21%	4.93%	3.05%
Canadian Equity Fund (Core 2)	1.51%	0.97%	3.16%	2.38%	1.15%
Canadian Equity Fund (Growth 2)	2.16%	1.59%	1.36%	2.05%	3.79%
Canadian Equity Fund (Indexed)	4.30%	3.48%	1.95%	2.23%	2.42%
U.S. Equity Fund (Indexed)	1.50%	0.56%	9.17%	19.91%	2.35%
Global Equity Fund 2	0.69%	0.45%	0.43%	14.89%	0.83%
International Equity Fund (Indexed)	3.20%	2.67%	0.83%	9.63%	1.07%

END OF AUDITED FINANCIAL STATEMENTS

Semi-annual unaudited financial statements are available upon written request to:

Member Services, FaithLife Financial, 300-470 Weber Street North, Waterloo, Ontario N2L 6J2

Portfolio Top Holdings - FORTRESS®

as at December 31, 2018 (in Canadian dollars)

FORTRESS® Money Market Fund

The Money Market Fund invests its assets in a Secondary Fund, London Life's Money Market (LK) Fund (Portico) (S029). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
6,000,000	Government of Canada 1.568% 01-24-2019	5,953	5,994	3.5%
6,000,000	Government of Canada 1.75% 04-04-2019	5,964	5,973	3.5%
2,000,000	Government of Canada 1.803% 06-13-2019	5,946	5,952	3.5%
6,000,000	Government of Canada 1.826% 07-25-2019	5,891	5,938	3.5%
5,000,000	Government of Canada 1.488% 01-10-2019	4,957	4,998	2.9%
5,000,000	The Toronto-Dominion Bank 2.062% 01-29-2019	4,983	4,992	2.9%
5,000,000	Government of Canada 1.677% 02-21-2019	4,962	4,989	2.9%
5,000,000	Government of Canada 1.721% 03-21-2019	4,957	4,981	2.9%
5,000,000	Government of Canada 1.594% 04-04-2019	4,921	4,980	2.9%
5,000,000	Government of Canada 1.883% 05-16-2019	4,953	4,965	2.9%
5,000,000	Government of Canada 1.913% 08-22-2019	4,905	4,939	2.9%
4,000,000	Government of Canada 1.582% 01-10-2019	3,978	3,998	2.3%
4,000,000	Bank of Montreal 2.037% 01-15-2019	3,989	3,997	2.3%
4,000,000	Government of Canada 1.683% 02-21-2019	3,982	3,991	2.3%
4,000,000	Government of Canada 1.695% 02-21-2019	3,966	3,991	2.3%
4,000,000	Bank of Montreal 2.078% 02-25-2019	3,976	3,987	2.3%
4,000,000	Toyota Credit Canada 2.126% 06-17-2019	3,937	3,961	2.3%
3,000,000	Government of Canada 1.594% 01-10-2019	2,987	2,999	1.8%
3,000,000	Government of Canada 1.623% 01-24-2019	2,978	2,997	1.8%
3,000,000	Government of Canada 1.627% 01-24-2019	2,978	2,997	1.8%
3,000,000	Government of Canada 1.643% 01-24-2019	2,987	2,997	1.8%
3,000,000	Government of Canada 1.674% 02-07-2019	2,983	2,995	1.8%
3,000,000	Canadian Imperial Bank of Commerce 2.087% 02-05-2019	2,985	2,994	1.8%
3,000,000	Government of Canada 1.687% 03-07-2019	2,986	2,991	1.8%
3,000,000	Government of Canada 1.795% 03-21-2019	2,975	2,988	1.8%

FORTRESS[®] Canadian Bond Fund

The Canadian Bond Fund invests its assets in a Secondary Fund, London Life's Core Plus Bond Fund (Portico) (S019). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
29,452,000	Province of Quebec 4.25% 12-01-2043	33,764	35,034	3.9%
27,980,000	Canada Housing Trust No. 1 2.65% 03-15-2022	29,232	28,423	3.1%
26,640,000	Government of Canada 0.50% 02-01-2019	26,581	26,617	2.9%
25,165,000	Canada Housing Trust No. 1 Floating Rate 03-15-2020	25,237	25,255	2.8%
25,207,000	Canada Housing Trust No. 1 1.25% 12-15-2020	25,128	24,859	2.7%
19,866,000	Province of Ontario 4.70% 06-02-2037	23,004	24,144	2.7%
22,745,000	Canada Housing Trust No. 1 2.40% 12-15-2022	23,103	22,892	2.5%
16,797,000	Province of Ontario 4.65% 06-02-2041	20,361	20,685	2.3%
17,137,000	Government of Canada 2.75% 12-01-2048	18,578	19,271	2.1%
17,511,000	Province of British Columbia 3.20% 06-18-2044	16,960	17,859	2.0%
17,091,000	Canada Housing Trust No. 1 2.65% 12-15-2028	16,819	17,284	1.9%
17,162,000	Province of Quebec 2.75% 09-01-2028	16,732	17,136	1.9%
17,086,000	Province of Ontario 2.60% 06-02-2025	17,598	17,055	1.9%
17,025,000	The Toronto-Dominion Bank 2.692% 06-24-2025	17,034	16,962	1.9%
16,851,000	Royal Bank of Canada 2.99% 12-06-2024	17,050	16,890	1.9%
16,579,000	Province of Quebec 2.75% 09-01-2025	17,191	16,727	1.8%
15,105,000	Province of British Columbia 2.85% 06-18-2025	15,690	15,377	1.7%
11,712,000	City of Toronto 5.20% 06-01-2040	13,063	14,803	1.6%
14,601,000	Canada Housing Trust No. 1 1.75% 06-15-2022	14,312	14,393	1.6%
10,666,000	Government of Canada 4.00% 06-01-2041	13,702	14,075	1.5%
13,910,000	Province of Ontario 2.40% 06-02-2026	14,488	13,622	1.5%
12,654,000	Royal Bank of Canada 2.00% 03-21-2022	12,516	12,342	1.4%
11,236,000	Province of Quebec 3.50% 12-01-2048	12,023	12,032	1.3%
11,281,000	City of Montreal 3.50% 09-01-2023	11,487	11,700	1.3%
12,435,000	Province of Ontario 2.80% 06-02-2048	11,776	11,525	1.3%

FORTRESS® Global Bond Fund

The Global Bond Fund invests its assets in a Secondary Fund, London Life's International Bond Fund (CLI) (S036). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
49,000,000	Government of Japan 0.10% 12-20-2026	556	621	6.0%
450,000	United States Treasury 2.50% 05-31-2020	601	614	5.9%
420,000	United States Treasury 1.75% 11-30-2021	549	562	5.4%
300,000	Buoni Poliennali Del Tes 0.10% 04-15-2019	457	469	4.5%
295,000	Bonos Y Oblig Del Estado 0.40% 04-30-2022	455	469	4.5%
250,000	UK Treasury 1.75% 07-22-2019	426	438	4.2%
200,000	Irish Treasury 3.40% 03-18-2024	337	366	3.5%
230,000	United States Treasury 2.125% 11-30-2023	300	308	3.0%
20,000,000	Asian Development Bank 2.35% 06-21-2027	263	301	2.9%
200,000	United States Treasury 0.875% 05-15-2019	264	271	2.6%
200,000	Eni SPA 4.00% 09-12-2023	262	269	2.6%
190,000	United States Treasury 0.75% 02-15-2019	238	259	2.5%
200,000	AXA SA Floating Rate 01-17-2047	265	259	2.5%
20,500,000	Government of Japan 0.10% 06-20-2027	244	259	2.5%
200,000	Argentum Netherlands BV for Zurich Insurance Co. Ltd. 5.12	251	253	2.4%
200,000	Sumitomo Life Insurance Floating Rate 09-14-2077	242	252	2.4%
152,000	Enel Finance International NV 1.125% 09-16-2026	224	225	2.2%
200,000	SCOR SE 5.25% 03-13-2029	260	224	2.1%
120,000	Export-Import Bank of Korea 0.625% 07-11-2023	184	189	1.8%
15,000,000	Government of Japan 0.10% 03-20-2020	171	187	1.8%
13,900,000	Government of Japan 1.30% 03-20-2021	144	179	1.7%
100,000	PepsiCo Inc. 2.625% 04-28-2026 Callable	152	175	1.7%
110,000	Buoni del Tesoro Poliennali 1.45% 09-15-2022	176	172	1.7%
100,000	Societe Generale SFH 2.00% 04-29-2024	152	171	1.6%
100,000	Corp. Andina De Fomento 1.875% 05-29-2021	149	163	1.6%

FORTRESS® Balanced Fund (Laketon)

The Balanced Fund (Laketon) invests its assets in a Secondary Fund, London Life's Balanced Fund (Laketon) (S014). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
27,901	The Toronto-Dominion Bank	1,352	1,893	2.8%
25,323	The Bank of Nova Scotia	1,626	1,723	2.5%
16,603	Royal Bank of Canada	1,180	1,551	2.3%
27,032	Enbridge Inc.	1,235	1,146	1.7%
28,357	Suncor Energy Inc.	1,525	1,081	1.6%
19,092	Brookfield Asset Management Inc.	872	999	1.5%
830,000	Province of Quebec 4.25% 12-01-2043	951	987	1.4%
10,675	Bank of Montreal	1,012	952	1.4%
45,271	Manulife Financial Corp.	919	877	1.3%
17,933	TransCanada Corp.	1,040	874	1.3%
858,000	Canada Housing Trust No. 1 2.65% 03-15-2022	894	872	1.3%
26,193	Canadian Natural Resources Ltd.	1,086	863	1.3%
12,691	Alimentation Couche-Tard Inc. Class B sub. voting	763	862	1.3%
8,415	Canadian Imperial Bank of Commerce	906	856	1.3%
846,000	Government of Canada 0.50% 02-01-2019	844	845	1.2%
12,645	Nutrien Ltd.	804	811	1.2%
790,000	Canada Housing Trust No. 1 1.25% 12-15-2020	787	779	1.1%
772,000	Canada Housing Trust No. 1 Floating Rate 03-15-2020	774	775	1.1%
601,000	Province of Ontario 4.70% 06-02-2037	699	730	1.1%
2,938	Canadian Pacific Railway Ltd.	744	712	1.0%
6,641	Canadian National Railway Co.	587	671	1.0%
645,000	Canada Housing Trust No. 1 2.40% 12-15-2022	655	649	1.0%
8,546	Rogers Communications Inc. Class B non-voting	472	598	0.9%
8,741	Magna International Inc.	546	542	0.8%
18,350	Teck Resources Ltd. Class B	598	539	0.8%

FORTRESS[®] Balanced Fund (McLean Budden)

The Balanced Fund (McLean Budden) invests its assets in a Secondary Fund, London Life's Balanced Growth Fund (MFS) (BGMB). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
6,171,042	MFS Balanced Growth Fund	75,412	66,981	100.0%

FORTRESS[®] Enhanced Dividend Fund

The Enhanced Dividend Fund invests its assets in a Secondary Fund, Canada Life's Enhanced Dividend Fund (S39). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
187,491	Royal Bank of Canada	13,597	17,519	8.9%
281,601	BCE Inc.	13,772	15,187	7.7%
151,899	Bank of Montreal	11,167	13,548	6.9%
213,376	Magna International Inc.	8,880	13,223	6.7%
126,514	Canadian Imperial Bank of Commerce	11,853	12,864	6.5%
236,450	Suncor Energy Inc.	8,397	9,016	4.6%
186,583	TELUS Corp.	6,177	8,443	4.3%
120,699	National Bank of Canada	4,797	6,765	3.4%
147,242	Sun Life Financial Inc.	5,750	6,669	3.4%
90,286	Rogers Communications Inc. Class B non-voting	4,218	6,316	3.2%
156,734	Saputo Inc.	4,519	6,142	3.1%
64,373	George Weston Ltd.	5,710	5,797	2.9%
227,316	Manulife Financial Corp.	4,812	4,403	2.2%
130,996	Vermilion Energy Inc.	5,494	3,767	1.9%
56,044	Loblaw Companies Ltd.	2,955	3,425	1.7%
90,381	Canadian Natural Resources Ltd.	3,426	2,977	1.5%
32,535	Alimentation Couche-Tard Inc. Class B sub. voting	1,941	2,209	1.1%
106,000	Hydro One Ltd.	2,307	2,147	1.1%
26,087	Restaurant Brands International Inc.	1,954	1,861	0.9%
105,409	CI Financial Corp.	2,469	1,821	0.9%
53,331	Empire Co. Ltd. Class A non-voting	1,030	1,538	0.8%
114,098	Hudson's Bay Co.	2,044	832	0.4%
175,366	Crescent Point Energy Corp.	5,017	726	0.4%
51,591	ARC Resources Ltd.	932	418	0.2%
41,172	Peyto Exploration & Development Corp.	963	291	0.1%

FORTRESS[®] Canadian Equity Fund (Value)

The Canadian Equity Fund (Value) invests its assets in a Secondary Fund, London Life's Canadian Equity Fund (SRA) (CESR). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
43,087,723	Scheer Rowlett Canadian Equity Fund Pooled	593,849	489,343	100.0%

FORTRESS[®] Canadian Equity Fund (Core)

The Canadian Equity Fund (Core) invests its assets in a Secondary Fund, London Life's Canadian Equity Fund (Bissett) (S103). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
1,650,173	Franklin Bissett Canadian Equity Fund Series O	183,920	227,546	100.0%

FORTRESS[®] Canadian Equity Fund (Growth)

The Canadian Equity Fund (Growth) invests its assets in a Secondary Fund, London Life's Canadian Equity Fund (Laketon) (S002). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
327,697	Royal Bank of Canada	23,051	30,620	8.8%
440,417	The Toronto-Dominion Bank	20,535	29,887	8.6%
344,868	The Bank of Nova Scotia	21,899	23,468	6.7%
222,219	Rogers Communications Inc. Class B non-voting	12,408	15,546	4.5%
281,986	Brookfield Asset Management Inc.	11,324	14,754	4.2%
59,340	Canadian Pacific Railway Ltd.	11,877	14,375	4.1%
324,404	Suncor Energy Inc.	14,073	12,370	3.5%
147,402	CGI Group Inc. Class A sub. voting	6,391	12,308	3.5%
111,268	Waste Connections Inc.	7,991	11,275	3.2%
342,029	Canadian Natural Resources Ltd.	15,048	11,266	3.2%
155,764	Restaurant Brands International Inc.	8,141	11,109	3.2%
235,600	Open Text Corp.	10,385	10,484	3.0%
99,112	Canadian National Railway Co.	7,859	10,021	2.9%
504,556	Manulife Financial Corp.	9,775	9,773	2.8%
338,682	Shaw Communications Inc. Class B non-voting	8,989	8,369	2.4%
202,513	Saputo Inc.	8,772	7,936	2.3%
304,830	Air Canada variable voting	4,063	7,913	2.3%
169,143	Allied Properties REIT	6,750	7,496	2.1%
158,241	Sun Life Financial Inc.	6,810	7,167	2.1%
333,941	Kinder Morgan Inc.	7,085	7,009	2.0%
39,768	Johnson & Johnson Inc.	7,340	7,003	2.0%
153,850	Enbridge Inc.	8,581	6,525	1.9%
198,793	Dollarama Inc.	4,536	6,455	1.8%
85,764	Onex Corp. sub. voting	4,395	6,377	1.8%
6,914	Constellation Software Inc.	5,341	6,042	1.7%

FORTRESS[®] Canadian Small Cap Equity Fund

The Canadian Small Cap Equity Fund invests its assets in a Secondary Fund, London Life's Small Cap Equity Fund (Bissett) (S105). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
1,087,355	Franklin Bissett Small Cap Fund Ser O	83,042	63,428	100.0%

FORTRESS® Global Equity Fund

The Global Equity Fund invests its assets in a Secondary Fund, London Life's Global Equity Fund (Setanta) (S034). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
58,878	Berkshire Hathaway Inc. Class B	10,801	16,405	3.5%
101,108	Microsoft Corp.	6,840	14,014	3.0%
133,668	DCC PLC	11,623	13,923	3.0%
530,028	Owens-Illinois Inc.	14,177	12,470	2.6%
1,088,155	Lancashire Holdings Ltd.	12,260	11,457	2.4%
314,377	Federated Investors Inc. Class B	11,646	11,390	2.4%
922,556	Telefonaktiebolaget LM Ericsson	7,544	11,102	2.4%
129,178	Oshkosh Corp.	8,624	10,808	2.3%
438,875	Jefferies Financial Group Inc.	12,349	10,397	2.2%
3,572,769	Melrose Industries PLC	11,023	10,187	2.2%
55,065	Johnson & Johnson Inc.	7,272	9,697	2.1%
16,072	Fairfax Financial Holdings Ltd. sub. voting	9,051	9,659	2.0%
111,711	Keysight Technologies Inc.	5,419	9,464	2.0%
64,357	Steris PLC	5,217	9,383	2.0%
156,598	Cisco Systems Inc.	5,548	9,260	2.0%
86,988	Nike Inc. Class B	5,357	8,801	1.9%
140,415	Oracle Corp.	6,750	8,651	1.8%
235,546	CRH PLC	8,309	8,510	1.8%
204,454	Johnson Controls International PLC	10,112	8,272	1.8%
33,450	McDonald's Corp.	5,371	8,106	1.7%
66,951	Groupe Bruxelles Lambert SA	8,201	7,966	1.7%
85,040	Exxon Mobil Corp.	8,486	7,913	1.7%
4,217,154	Saga PLC	8,993	7,604	1.6%
5,253	Markel Corp.	5,344	7,441	1.6%
54,571	Lowe's Companies Inc.	4,301	6,878	1.5%

FORTRESS® Asia Pacific Equity Fund

The Asia Pacific Equity Fund invests its assets in a Secondary Fund, London Life's Far East Fund (CLI) (LSGAG). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
257,007	Lyxor MSCI India UCITS ETF	5,338	6,377	8.7%
69,600	Tencent Holdings Ltd.	1,701	3,765	5.2%
283,000	Taiwan Semiconductor Manufacturing Co. Ltd.	1,674	2,820	3.9%
58,544	Samsung Electronics Co. Ltd.	2,147	2,771	3.8%
11,795	Alibaba Group Holding Ltd.	1,665	2,206	3.0%
162,000	Xtrackers Harvest CSI300 UCITS ETF	1,995	1,923	2.6%
1,672,000	China Construction Bank Corp.	1,664	1,882	2.6%
163,600	AIA Group Ltd.	1,506	1,853	2.5%
25,253	Commonwealth Bank of Australia	1,996	1,758	2.4%
51,037	BHP Group Ltd.	1,294	1,680	2.3%
76,300	Xtrackers MSCI Indonesia UCITS ETF	1,534	1,573	2.2%
6,736	CSL Ltd.	830	1,199	1.6%
48,647	Westpac Banking Corp.	1,501	1,171	1.6%
85,500	China Mobile Ltd.	1,076	1,123	1.5%
1,113,000	Industrial and Commercial Bank of China Ltd.	882	1,084	1.5%
42,537	Australia and New Zealand Banking Group	1,159	1,001	1.4%
39,049	National Australia Bank Ltd.	1,151	904	1.2%
221,000	Longfor Group Holdings Ltd.	860	903	1.2%
1,510,000	Bank of China Ltd.	881	889	1.2%
1,055,800	PCCW Ltd.	765	830	1.1%
3,216,000	China Tower Corp. Ltd.	671	829	1.1%
61,929	Hanon Systems	823	818	1.1%
394,000	HKBN Ltd.	784	814	1.1%
3,730	Baidu Inc. ADR	1,019	807	1.1%
52,000	CLP Holdings Ltd.	760	802	1.1%

FORTRESS® European Equity Fund

The European Equity Fund invests its assets in a Secondary Fund, London Life's European Equity Fund (Setanta) (LEES). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

Units, Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.	
31,171	DCC PLC	1,579	3,247	6.3%	1
1,087,230	Melrose Industries PLC	2,722	3,101	6.0%	2
25,707	Groupe Bruxelles Lambert SA	2,299	3,059	5.9%	3
60,079	Diageo PLC	1,855	2,922	5.6%	4
231,232	Telefonaktiebolaget LM Ericsson	1,800	2,783	5.4%	5
31,792	Unilever NV CVA	2,072	2,358	4.5%	6
90,240	GlaxoSmithKline PLC	2,316	2,342	4.5%	7
248,200	Origin Enterprises PLC	2,336	2,224	4.3%	8
18,891	Novartis AG	1,420	2,210	4.3%	9
195,488	Lancashire Holdings Ltd.	2,364	2,058	4.0%	10
20,748	Ryanair Holdings PLC ADR	2,588	2,020	3.9%	11
16,692	Sanofi SA	1,604	1,975	3.8%	12
78,889	Smiths Group PLC	1,703	1,873	3.6%	13
51,604	CRH PLC	1,831	1,864	3.6%	14
108,752	Merlin Properties Socimi SA REIT	1,603	1,834	3.5%	15
59,622	Liberty Global PLC Series C	3,150	1,679	3.2%	16
607,987	Vodafone Group PLC	2,535	1,618	3.1%	17
405,884	LSL Property Services PLC	2,580	1,550	3.0%	18
3,858	The Swatch Group AG	2,012	1,541	3.0%	19
191,126	Playtech PLC	2,005	1,281	2.5%	20
33,710	Proximus Group	1,105	1,245	2.4%	21
38,762	Fortum OYJ	1,006	1,160	2.2%	22
52,080	Eni SPA	1,297	1,120	2.2%	23
129,415	BP PLC	981	1,117	2.2%	24
145,355	Bank of Ireland Group PLC	1,206	1,108	2.1%	25

Portfolio Top Holdings - FORTRESS[®] 2

as at December 31, 2017 (in Canadian dollars)

FORTRESS[®] 2 Money Market Fund 2

The Money Market Fund 2 invests its assets in a Secondary Fund, TD Asset Management's Emerald[™] Canadian Short Term Investment Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
40,013,000.00	Royal Bank of Canada 2.98% due May 07, 2019	40,339	40,124	1.8%
39,945,000.00	Toronto-Dominion Bank (The) 2.447% due April 02, 2019	40,167	39,978	1.8%
39,700,000.00	Canadian Imperial Bank of Commerce 2.35% due June 24, 2019	39,773	39,727	1.8%
39,526,000.00	bclMC Realty Corporation 2.96% due March 07, 2019	39,938	39,593	1.8%
39,300,000.00	Bank of Montreal 2.43% due March 04, 2019	39,475	39,327	1.8%
38,000,000.00	Bank of Nova Scotia (The) 2.462% due March 14, 2019	38,167	38,029	1.7%
37,871,000.00	Toyota Credit Canada Inc. 2.25% due May 23, 2019	37,899	37,876	1.7%
36,644,000.00	HSBC Canada Inc. 2.491% due May 13, 2019	36,693	36,671	1.7%
36,000,000.00	Toyota Credit Canada Inc. due May 10, 2019	35,728	35,714	1.6%
29,500,000.00	Plaza Trust due April 22, 2019	29,299	29,299	1.3%
27,266,000.00	Honda Canada Finance Inc. 1.631% due August 12, 2019	27,075	27,137	1.2%
26,000,000.00	Sure Trust due March 29, 2019	25,866	25,861	1.2%
25,000,000.00	Royal Bank of Canada	25,128	25,100	1.1%
25,000,000.00	Bank of Montreal due February 26, 2019	24,924	24,917	1.1%
25,000,000.00	Bank of Montreal due May 03, 2019	24,814	24,817	1.1%
25,000,000.00	Storm King Funding due September 23, 2019	24,567	24,570	1.1%
24,000,000.00	Fusion Trust due January 16, 2019	23,980	23,978	1.1%
23,000,000.00	Canadian Imperial Bank of Commerce Floating Rate due May 08, 2019	23,000	23,007	1.0%
23,000,000.00	Lakeshore Trust due February 14, 2019	22,940	22,938	1.0%
23,000,000.00	Ridge Trust due February 21, 2019	22,936	22,928	1.0%
22,900,000.00	Storm King Funding due March 11, 2019	22,810	22,803	1.0%
22,448,000.00	National Bank of Canada 2.404% due October 28, 2019	22,425	22,456	1.0%
22,214,000.00	Bank of Nova Scotia (The) due April 26, 2019	22,066	22,061	1.0%
22,000,000.00	Canadian Master Trust due March 25, 2019	21,896	21,889	1.0%
22,000,000.00	Bay Street Funding Trust due April 03, 2019	21,882	21,876	1.0%

[™] "Emerald" is a trademark of the Toronto-Dominion Bank. FORTRESS 2 and the underlying funds are not sponsored, endorsed, sold or promoted by the Toronto-Dominion Bank or any of its affiliates.

FORTRESS[®] 2 Canadian Bond Fund (Indexed)

The Canadian Bond Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald[™] Canadian Bond Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
82,322,000	Government of Canada 1.50% due March 01, 2020	82,656	82,015	2.0%
66,532,000	Government of Canada 0.75% due March 01, 2021	65,255	64,971	1.6%
65,854,000	Government of Canada 0.75% due September 01, 2020	65,296	64,678	1.6%
47,156,000	Government of Canada 3.25% due June 01, 2021	50,649	48,687	1.2%
48,052,000	Government of Canada 1.00% due September 01, 2022	46,158	46,547	1.1%
44,014,000	Government of Canada 2.50% due June 01, 2024	45,532	45,365	1.1%
34,878,000	Government of Canada 3.50% due December 01, 2045	45,382	44,128	1.1%
47,458,000	Government of Canada 1.00% due June 01, 2027	42,863	43,994	1.1%
44,965,000	Province of Ontario 2.90% due December 02, 2046	43,289	42,437	1.0%
30,414,000	Government of Canada 5.75% due June 01, 2029	44,230	41,096	1.0%
39,955,000	Government of Canada 1.75% due March 01, 2023	39,464	39,737	1.0%
29,125,000	Government of Canada 4.00% due June 01, 2041	38,770	38,433	0.9%
37,925,000	Government of Canada 1.75% due May 01, 2020	37,783	37,886	0.9%
36,166,000	Canada Housing Trust No. 1 2.40% due December 15, 2022	36,459	36,400	0.9%
34,798,000	Province of Ontario 3.45% due June 02, 2045	33,026	36,316	0.9%
24,700,000	Government of Canada 5.75% due June 01, 2033	35,523	35,972	0.9%
34,385,000	Government of Canada 1.50% due June 01, 2023	33,899	33,830	0.8%
31,822,000	Province of Ontario 3.50% due June 02, 2024	33,407	33,349	0.8%
29,457,000	Government of Canada 2.75% due December 01, 2048	32,197	33,125	0.8%
31,967,000	Government of Canada 3.50% due June 01, 2020	35,276	32,706	0.8%
22,737,000	Government of Canada 5.00% due June 01, 2037	31,705	32,567	0.8%
31,942,000	Province of Ontario 2.85% due June 02, 2023	31,815	32,466	0.8%
31,232,000	Province of Ontario 3.15% due June 02, 2022	32,088	32,065	0.8%
31,010,000	Government of Canada 2.75% due June 01, 2022	33,096	31,904	0.8%
31,955,000	Canada Housing Trust No. 1 1.75% due June 15, 2022	32,087	31,499	0.8%

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FORTRESS[®] 2 Balanced Fund (Jarislowsky)

The Balanced Fund (Jarislowsky) invests its assets in a Secondary Fund, London Life's Balanced Fund (Jarislowsky Fraser) (BALJF). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
16,180,947	Jarislowsky Fraser Balanced Fund Pooled	240,175	225,881	100%

FORTRESS[®] 2 Balanced Fund (Scheer Rowlett)

The Balanced Fund (Scheer Rowlett) invests its assets in a Secondary Fund, London Life's Balanced Fund (SRA) (BALSR). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
19,330,031	Scheer Rowlett Balanced Fund Pooled	212,502	186,521	100%

FORTRESS[®] 2 Balanced Fund (TDQC)

The Balanced Fund (TDQC) invests its assets in a Secondary Fund, TD Asset Management's Emerald[™] Balanced Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
19,312,140	TD Emerald Canadian Bond Index Fund, Class B	245,564	242,130	34.7%
5,657,525	TD Emerald Canadian Equity Index Fund, Class B	204,044	211,488	30.3%
7,178,303	TD Emerald International Equity Index Fund	106,404	112,898	16.2%
4,206,019	TD Emerald U.S. Market Index Fund, Class B	66,849	102,875	14.7%
2,956,596	TD Emerald Canadian Short Term Investment Fund	29,078	28,778	4.1%

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FORTRESS[®] 2 Canadian Equity Fund (Core 2)

The Canadian Equity Fund (Core 2) invests its assets in a Secondary Fund, London Life's Canadian Equity Fund (Jarislowsky Fraser) (CEJF). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
19,948,892	Jarislowsky Fraser Canadian Equity Fund Pooled	639,351	575,364	100.0%

FORTRESS[®] 2 Canadian Equity Fund (Growth 2)

The Canadian Equity Fund (Growth 2) invests its assets in a Secondary Fund, London Life's Canadian Equity Fund (Greystone) (S203). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
18,611,071	Greystone Canadian Equity Fund Pooled	489,461	448,918	100.0%

FORTRESS[®] 2 Canadian Equity Fund (Indexed)

The Canadian Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald[™] Canadian Equity Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost (in thousands)	Market Value (in thousands)	% of Portf.
2,808,861	Royal Bank of Canada	170,436	262,460	6.7%
3,574,942	Toronto-Dominion Bank (The)	152,145	242,596	6.2%
3,939,007	Enbridge Inc.	172,336	167,053	4.3%
2,391,773	Bank of Nova Scotia (The)	132,289	162,760	4.2%
1,419,520	Canadian National Railway Company	69,886	143,528	3.7%
3,152,983	Suncor Energy Inc.	117,761	120,223	3.1%
1,246,276	Bank of Montreal	79,827	111,155	2.8%
1,750,536	BCE Inc.	74,844	94,406	2.4%
1,704,435	Brookfield Asset Management Inc., Class "A"	45,625	89,176	2.3%
863,322	Canadian Imperial Bank of Commerce	71,600	87,783	2.2%
1,780,698	TransCanada Corporation	83,052	86,809	2.2%
2,350,980	Canadian Natural Resources Limited	76,735	77,441	2.0%
1,193,293	Nutrien Ltd.	81,864	76,514	2.0%
3,868,695	Manulife Financial Corporation	74,808	74,937	1.9%
277,416	Canadian Pacific Railway Limited	33,364	67,201	1.7%
852,643	Alimentation Couche-Tard Inc., Class "B" SV	20,313	57,903	1.5%
1,175,955	Sun Life Financial Inc.	39,485	53,259	1.4%
1,166,093	TELUS Corporation	35,325	52,766	1.4%
513,660	Waste Connections Inc.	28,542	52,049	1.3%
700,306	Rogers Communications Inc., Class "B"	28,295	48,993	1.3%
2,275,943	Barrick Gold Corporation	69,116	41,946	1.1%
484,654	CGI Group Inc., Class "A" SV	15,042	40,469	1.0%
986,584	Pembina Pipeline Corporation	32,111	39,967	1.0%
831,773	Fortis Inc.	30,547	37,854	1.0%
606,440	Magna International Inc.	19,500	37,581	1.0%

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FORTRESS[®] 2 U.S. Equity Fund (Indexed)

The U.S. Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald[™] U.S. Market Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
605,571	Microsoft Corporation	28,273	84,007	3.7%
353,216	Apple Inc.	28,620	76,097	3.4%
32,176	Amazon.com Inc.	20,024	66,006	2.9%
152,363	Berkshire Hathaway Inc., Class "B"	20,528	42,489	1.9%
210,138	Johnson & Johnson	19,333	37,038	1.6%
260,504	JPMorgan Chase & Co.	14,876	34,733	1.5%
24,097	Alphabet Inc., Class "C"	12,044	34,084	1.5%
188,365	Facebook Inc., Class "A"	18,515	33,725	1.5%
23,422	Alphabet Inc., Class "A"	34,682	33,428	1.5%
331,712	Exxon Mobil Corporation	24,559	30,894	1.4%
453,668	Pfizer Inc.	12,390	27,046	1.2%
75,522	Unitedhealth Group Incorporated	8,170	25,696	1.1%
323,720	Verizon Communications Inc.	14,137	24,857	1.1%
137,622	Visa Inc., Class "A"	7,612	24,800	1.1%
195,115	Procter & Gamble Company (The)	13,902	24,496	1.1%
716,535	Bank of America Corporation	13,212	24,114	1.1%
357,518	Intel Corporation	18,350	22,916	1.0%
571,385	AT&T Inc.	20,109	22,273	1.0%
149,731	Chevron Corporation	13,539	22,248	1.0%
204,059	Merck & Company Inc.	10,228	21,296	0.9%
332,506	Wells Fargo & Company	13,025	20,927	0.9%
352,965	Cisco Systems Inc.	9,257	20,889	0.9%
88,413	Home Depot Inc. (The)	9,007	20,748	0.9%
300,746	Coca-Cola Company (The)	10,742	19,449	0.9%
71,235	Mastercard Incorporated, Class "A"	5,257	18,354	0.8%

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FORTRESS[®] 2 Global Equity Fund 2

The Global Equity Fund 2 invests its assets in a Secondary Fund, London Life's Global Equity Fund (MFS) (GEMB). The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Units	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
2,541,206	MFS Global Research Fund	41,994	41,909	100.0%

FORTRESS[®] 2 International Equity Fund (Indexed)

The International Equity Fund (Indexed) invests its assets in a Secondary Fund, TD Asset Management's Emerald[™] International Equity Index Fund. The portfolio assets presented are those of the underlying pooled fund in which the FORTRESS Fund invests.

No. of Shares, or Par Value	Description	Cost <i>(in thousands)</i>	Market Value <i>(in thousands)</i>	% of Portf.
745,997	Nestle SA	51,543	82,478	2.0%
528,027	Novartis AG	40,173	61,481	1.5%
171,110	Roche Holding AG	39,865	57,702	1.4%
4,848,304	HSBC Holdings PLC	53,556	54,557	1.3%
1,119,197	Royal Dutch Shell PLC, Class "A"	39,999	44,923	1.1%
556,300	Toyota Motor Corporation	31,224	44,363	1.1%
584,007	TOTAL SA	36,959	42,108	1.0%
4,865,611	BP PLC	41,484	41,975	1.0%
505,500	iShares MSCI EAFE ETF	40,929	40,582	1.0%
912,218	Royal Dutch Shell PLC, Class "B"	31,844	37,131	0.9%
2,941,197	AIA Group Limited	16,037	33,350	0.8%
239,363	SAP AG	19,336	32,488	0.8%
274,334	Sanofi	25,127	32,407	0.8%
308,525	AstraZeneca PLC	19,946	31,519	0.8%
1,208,015	GlaxoSmithKline PLC	30,375	31,335	0.8%
428,612	Commonwealth Bank of Australia	25,328	29,833	0.7%
599,477	Diageo PLC	16,864	29,146	0.7%
105,374	Allianz SE	18,418	28,814	0.7%
186,317	Siemens AG	22,526	28,328	0.7%
375,862	Unilever NV	15,965	27,828	0.7%
442,517	Novo Nordisk AS, Class "B"	16,523	27,581	0.7%
67,651	LVMH Moet Hennessy Louis Vuitton SE	13,294	27,272	0.7%
3,961,929	Banco Santander SA	35,643	24,576	0.6%
558,642	British American Tobacco PLC	32,378	24,294	0.6%
717,466	BHP Group Limited	21,506	23,614	0.6%

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Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS® Money Market Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	80.56	80.06	80.11	80.27	80.24

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$1,420	\$1,700	\$1,642	\$1,776	\$1,482
Number of units outstanding ⁽¹⁾	17,637	21,230	20,497	22,140	18,473
Management expense ratio ⁽²⁾	0.86%	0.86%	0.86%	0.85%	0.85%

FORTRESS® Canadian Bond Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	171.31	174.24	174.21	175.47	175.31

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$4,916	\$6,740	\$8,658	\$10,240	\$12,709
Number of units outstanding ⁽¹⁾	28,695	38,682	49,701	58,357	72,494
Management expense ratio ⁽²⁾	2.76%	2.76%	2.88%	2.89%	2.87%
Portfolio turnover rate ⁽³⁾	10.00%	6.70%	7.43%	6.61%	3.63%

FORTRESS® Global Bond Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	17.90	17.32	17.61	18.21	16.39

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$407	\$354	\$371	\$376	\$346
Number of units outstanding ⁽¹⁾	22,709	20,412	21,059	20,633	21,117
Management expense ratio ⁽²⁾	2.73%	2.75%	2.85%	2.85%	2.85%
Portfolio turnover rate ⁽³⁾	6.36%	17.67%	25.17%	8.86%	5.13%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS® Balanced Fund (Laketon)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	71.55	76.41	73.15	70.93	69.24

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$5,402	\$6,784	\$7,404	\$8,333	\$9,238
Number of units outstanding ⁽¹⁾	75,500	88,786	101,213	117,486	133,417
Management expense ratio ⁽²⁾	3.14%	3.14%	3.14%	3.14%	3.13%
Portfolio turnover rate ⁽³⁾	3.13%	5.00%	3.23%	4.80%	5.10%

FORTRESS® Balanced Fund (McLean Budden)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	23.45	24.13	22.31	21.71	20.99

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$4,563	\$4,809	\$4,825	\$5,145	\$4,271
Number of units outstanding ⁽¹⁾	194,593	199,265	216,294	236,955	203,437
Management expense ratio ⁽²⁾	3.02%	3.19%	3.18%	3.19%	3.17%
Portfolio turnover rate ⁽³⁾	10.87%	14.63%	5.90%	16.10%	10.48%

FORTRESS® Enhanced Dividend Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	43.97	49.62	46.42	38.84	42.04

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$42,294	\$56,240	\$56,123	\$50,660	\$64,544
Number of units outstanding ⁽¹⁾	961,986	1,133,424	1,209,118	1,304,394	1,535,185
Management expense ratio ⁽²⁾	3.28%	3.28%	3.28%	3.28%	3.27%
Portfolio turnover rate ⁽³⁾	12.82%	15.42%	4.19%	3.79%	6.68%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS® Canadian Equity Fund (Value)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	30.25	35.03	32.53	26.25	29.42

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$1,902	\$2,398	\$2,732	\$2,464	\$3,581
Number of units outstanding ⁽¹⁾	62,884	68,470	83,977	93,857	121,716
Management expense ratio ⁽²⁾	3.12%	3.28%	3.29%	3.29%	3.29%
Portfolio turnover rate ⁽³⁾	1.71%	3.64%	1.63%	2.45%	2.52%

FORTRESS® Canadian Equity Fund (Core)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	29.37	33.43	32.29	26.93	29.91

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$927	\$1,416	\$1,702	\$1,602	\$2,003
Number of units outstanding ⁽¹⁾	31,554	42,353	52,715	59,485	66,961
Management expense ratio ⁽²⁾	3.10%	3.24%	3.24%	3.25%	3.25%
Portfolio turnover rate ⁽³⁾	1.16%	2.75%	1.83%	1.93%	3.30%

FORTRESS® Canadian Equity Fund (Growth)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	332.69	368.68	341.75	319.50	337.64

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$5,007	\$6,341	\$6,782	\$7,446	\$8,920
Number of units outstanding ⁽¹⁾	15,049	17,198	19,846	23,304	26,419
Management expense ratio ⁽²⁾	3.22%	3.22%	3.22%	3.22%	3.24%
Portfolio turnover rate ⁽³⁾	1.09%	1.72%	1.54%	2.43%	1.68%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS®

The Financial Highlights tables (below) show selected key financial information about the FORTRESS Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS® Canadian Small Cap Equity Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	17.66	25.07	25.84	20.39	25.80

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$2,215	\$3,692	\$8,109	\$6,940	\$9,752
Number of units outstanding ⁽¹⁾	125,464	147,277	313,849	340,453	377,917
Management expense ratio ⁽²⁾	3.95%	4.17%	4.17%	4.16%	4.15%
Portfolio turnover rate ⁽³⁾	2.31%	2.18%	2.39%	2.70%	5.09%

FORTRESS® Global Equity Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	101.92	105.99	94.56	89.07	79.10

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$1,995	\$2,206	\$2,148	\$2,215	\$2,058
Number of units outstanding ⁽¹⁾	19,572	20,814	22,720	24,868	26,015
Management expense ratio ⁽²⁾	3.23%	3.23%	3.23%	3.23%	3.22%
Portfolio turnover rate ⁽³⁾	5.05%	2.12%	4.29%	6.09%	7.00%

FORTRESS® Asia Pacific Equity Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	15.51	17.34	13.77	14.41	15.16

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$370	\$544	\$615	\$729	\$1,025
Number of units outstanding ⁽¹⁾	23,863	31,395	44,614	50,574	67,595
Management expense ratio ⁽²⁾	3.35%	3.35%	3.37%	3.37%	3.37%
Portfolio turnover rate ⁽³⁾	2.45%	2.47%	1.84%	4.63%	1.87%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS®

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FORTRESS® European Equity Fund

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	27.08	29.21	26.15	27.21	22.00

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$333	\$373	\$387	\$430	\$388
Number of units outstanding ⁽¹⁾	12,288	12,782	14,793	15,790	17,631
Management expense ratio ⁽²⁾	3.20%	3.20%	3.20%	3.19%	3.19%
Portfolio turnover rate ⁽³⁾	2.50%	19.79%	1.29%	3.60%	5.41%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS[®] 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS[®] 2 Money Market Fund 2

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	11.76	11.63	11.60	11.58	11.54

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$128	\$140	\$142	\$83	\$62
Number of units outstanding ⁽¹⁾	10,885	12,034	12,268	7,178	5,397
Management expense ratio ⁽²⁾	0.86%	0.86%	0.87%	0.86%	0.86%

FORTRESS[®] 2 Canadian Bond Fund (Indexed)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	18.38	18.54	18.51	18.69	18.47

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$103	\$161	\$238	\$323	\$366
Number of units outstanding ⁽¹⁾	5,608	8,670	12,866	17,263	19,837
Management expense ratio ⁽²⁾	2.60%	2.60%	2.60%	2.61%	2.61%
Portfolio turnover rate ⁽³⁾	1.37%	0.93%	3.44%	12.51%	2.63%

FORTRESS[®] 2 Balanced Fund (Jarislowsky)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	23.73	24.82	23.88	22.99	21.88

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$232	\$272	\$268	\$294	\$304
Number of units outstanding ⁽¹⁾	9,787	10,950	11,210	12,781	13,903
Management expense ratio ⁽²⁾	2.84%	2.96%	2.96%	2.97%	2.97%
Portfolio turnover rate ⁽³⁾	1.34%	1.31%	4.29%	1.81%	1.73%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS[®] 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS[®] 2 Balanced Fund (Scheer Rowlett)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	23.46	25.11	23.52	21.79	21.61

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$297	\$605	\$610	\$879	\$977
Number of units outstanding ⁽¹⁾	12,651	24,089	25,949	40,335	45,227
Management expense ratio ⁽²⁾	2.82%	2.83%	2.91%	2.90%	2.91%
Portfolio turnover rate ⁽³⁾	0.58%	1.55%	0.36%	2.51%	0.76%

FORTRESS[®] 2 Balanced Fund (TDQC)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	20.36	22.25	21.29	20.64	20.54

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$214	\$256	\$290	\$318	\$409
Number of units outstanding ⁽¹⁾	10,508	11,513	13,605	15,395	19,886
Management expense ratio ⁽²⁾	2.74%	2.74%	2.74%	2.74%	2.74%
Portfolio turnover rate ⁽³⁾	1.14%	1.54%	2.21%	4.93%	3.05%

FORTRESS[®] 2 Canadian Equity Fund (Core 2)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	40.54	44.57	43.09	37.42	39.46

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$187	\$252	\$257	\$291	\$381
Number of units outstanding ⁽¹⁾	4,604	5,648	5,962	7,768	9,650
Management expense ratio ⁽²⁾	2.88%	2.99%	2.99%	2.99%	2.99%
Portfolio turnover rate ⁽³⁾	1.51%	0.97%	3.16%	2.38%	1.15%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS[®] 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS[®] 2 Canadian Equity Fund (Growth 2)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	25.58	28.88	27.48	25.32	27.74

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$155	\$234	\$264	\$540	\$628
Number of units outstanding ⁽¹⁾	6,051	8,101	9,614	21,328	22,643
Management expense ratio ⁽²⁾	2.87%	2.96%	2.96%	2.97%	2.97%
Portfolio turnover rate ⁽³⁾	2.16%	1.59%	1.36%	2.05%	3.79%

FORTRESS[®] 2 Canadian Equity Fund (Indexed)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	42.98	49.37	46.34	39.22	44.38

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$98	\$131	\$144	\$153	\$243
Number of units outstanding ⁽¹⁾	2,274	2,655	3,111	3,899	5,468
Management expense ratio ⁽²⁾	2.76%	2.77%	2.76%	2.77%	2.77%
Portfolio turnover rate ⁽³⁾	4.30%	3.48%	1.95%	2.23%	2.42%

FORTRESS[®] 2 U.S. Equity Fund (Indexed)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	21.45	21.64	19.57	18.64	15.77

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$28	\$30	\$27	\$48	\$48
Number of units outstanding ⁽¹⁾	1,325	1,403	1,389	2,555	3,032
Management expense ratio ⁽²⁾	2.94%	2.94%	2.94%	2.94%	2.95%
Portfolio turnover rate ⁽³⁾	1.50%	0.56%	9.17%	19.91%	2.35%

(1) As at December 31st of the year shown.

(2) The Management expense ratio is based on total expenses for the year shown, including the expenses of the underlying fund, expressed as an annualized percent of daily average net assets during the year, and includes GST/HST.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.

Financial Highlights - FORTRESS[®] 2

The Financial Highlights tables (below) show selected key financial information about the FORTRESS 2 Funds and are intended to help you understand the Fund's financial performance for the past 5 years.

FORTRESS[®] 2 Global Equity Fund 2

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	21.87	22.65	19.73	19.92	17.14

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$28	\$52	\$56	\$61	\$59
Number of units outstanding ⁽¹⁾	1,297	2,290	2,843	3,087	3,450
Management expense ratio ⁽²⁾	3.01%	3.02%	3.09%	3.09%	3.10%
Portfolio turnover rate ⁽³⁾	0.69%	0.45%	0.43%	14.89%	0.83%

FORTRESS[®] 2 International Equity Fund (Indexed)

The Fund's Net Asset Value per Unit

	2018	2017	2016	2015	2014
Net asset value at Dec. 31 of year shown	16.23	17.68	15.52	16.31	14.05

Ratios and Supplemental Data

	2018	2017	2016	2015	2014
Net assets (000's) ⁽¹⁾	\$54	\$62	\$83	\$93	\$79
Number of units outstanding ⁽¹⁾	3,321	3,485	5,323	5,718	5,631
Management expense ratio ⁽²⁾	2.95%	2.95%	2.95%	2.96%	2.95%
Portfolio turnover rate ⁽³⁾	3.20%	2.67%	0.83%	9.63%	1.07%

(1) As at December 31st of the year shown.

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(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser 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.