



SEMI-ANNUAL  
REPORT

2014

NDX GROWTH & INCOME FUND

  
strathbridge  
ASSET MANAGEMENT

### Letter to Unitholders

We are pleased to present the 2014 semi-annual report containing the management report of fund performance and the unaudited financial statements for NDX Growth & Income Fund.

After generating mixed returns in the first quarter of 2014 amid concerns surrounding geopolitical tension between Ukraine and Russia as well as comments from the U.S. Federal Reserve that it would consider raising interest rates, most Global equity markets advanced in the second quarter. The rally was fueled by economic data out of the U.S. which started to rebound from the weakness driven by harsh weather experienced this past winter. Europe, meanwhile, continued to improve economically as indicated by the regional purchasing managers indexes. The European Central Bank kept monetary policy accommodative by reducing its key benchmark rate to an unprecedented rate of negative 0.10 percent with an eye on the possible negative economic effects from geopolitical tensions in Ukraine and the Middle East. Although the Canadian economy posted subdued growth during the six month period, the S&P/TSX Composite Index outperformed most other markets in the first half of 2014 due to strength in the Energy and Materials sectors.

During the six months ended June 30, 2014, the Fund paid cash distributions of C\$0.32 per Class A unit and US\$0.32 per Class U unit. The Class A units are listed on the Toronto Stock Exchange under the ticker symbol NGL.UN and closed on June 30, 2014 at C\$9.14. The Class U units are denominated in U.S. dollar currency and do not trade on an exchange. The net asset value (“NAV”) per Class A unit increased 2.3 percent from C\$9.44 at December 31, 2013 to C\$9.66 at June 30, 2014 and the NAV per Class U unit increased 1.9 percent from US\$9.44 on December 31, 2013 to US\$9.62 at June 30, 2014. The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2014 was 5.8 percent for the Class A units and 5.4 percent for the Class U units. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to C\$0.07 per unit. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

On January 15, 2014, the Fund completed an issuance of an additional 200,000 Class A units pursuant to the exercise of the over-allotment option granted to the Fund’s agents in its recently completed initial public offering (the “IPO”). Altogether, the Fund has raised gross proceeds of approximately C\$33.0 million, including the proceeds from the over-allotment option and the proceeds from the issuance of Class A units and Class U units on the IPO.

We thank all unitholders for their continued support and encourage unitholders to review the more detailed information contained within the semi-annual report.



John P. Mulvihill  
Chairman & CEO  
Strathbridge Asset Management Inc.

## The Fund

The Fund is a closed-end investment trust designed to provide stable quarterly cash distributions and the opportunity for capital appreciation. The Class A units are listed on the Toronto Stock Exchange under the ticker symbol NGL.UN and are hedged back to the Canadian dollar. The Class U units are denominated in U.S. dollar currency and do not trade on an exchange. To accomplish its objectives, the Fund invests in an actively managed portfolio consisting primarily of the top 20 highest yielding constituents of the NASDAQ-100SM Index (the “NASDAQ 100”). The NASDAQ 100 includes 100 of the largest U.S. domestic and international non-financial securities listed on The NASDAQ Stock Market based on market capitalization. Each top 20 security held in the Portfolio shall at the time of purchase have a weighting of between 3 percent and 7 percent of the Fund’s net asset value. The Portfolio will be reconstituted on December 31 of each year to include the then top 20 highest yielding constituents of the NASDAQ 100.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), to enhance the income generated by the portfolio and to reduce volatility. The Fund intends to strategically write covered call options from time to time, in respect of not more than 33 percent of the securities in its portfolio. In addition, the Fund may write covered put options (up to a maximum of 10 percent of the Fund’s net asset value) in respect of securities in which it is permitted to invest.

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the Fund while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

## NDX Growth & Income Fund

### Management Report of Fund Performance

#### Management Report of Fund Performance

This first semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2014 of NDX Growth & Income Fund (the "Fund"). The unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Standard Life Centre, P.O. Box 113, Toronto, Ontario, M5H 3T9, or by visiting our website at [www.strathbridge.com](http://www.strathbridge.com). You can also request semi-annual or annual reports at no cost by using one of the above methods.

#### Results of Operations

##### Distributions

For the six months ended June 30, 2014, the Fund paid cash distributions of C\$0.32 per Class A unit and US\$0.32 per Class U unit.

Distributions to Class A unitholders are denominated in Canadian dollars while distributions to Class U unitholders are U.S. dollar denominated.

##### Revenue and Expenses

For the six months ended June 30, 2014, the Fund's total revenue were C\$0.17 per Class A unit and US\$0.18 per Class U unit and total expenses were C\$0.13 per Class A unit and US\$0.13 per Class U unit. The Fund had a net realized and unrealized gain of C\$0.51 per Class A unit and US\$0.47 per Class U unit during the period.

##### Net Asset Value

The net asset value per Class A unit increased 2.3 percent from C\$9.44 at December 31, 2013 to C\$9.66 at June 30, 2014. The net asset value per Class U unit increased 1.9 percent from US\$9.44 at December 31, 2013 to US\$9.62 at June 30, 2014. The total net asset value of the Fund increased C\$2.6 million from C\$29.4 million at December 31, 2013 to C\$32.0 million at June 30, 2014, reflecting an increase in net assets attributable to holders of Class A and Class U units of C\$1.8 million and proceeds from over-allotment option on Class A units of C\$1.9 million, partially offset by cash distributions of C\$1.1 million.

#### Recent Developments

On January 15, 2014, the Fund completed an issuance of an additional 200,000 Class A units pursuant to the exercise of the over-allotment option granted to the Fund's agents in its recently completed initial public offering (the "IPO"). Altogether, the Fund has raised gross proceeds of approximately C\$33.0 million, including the proceeds from the over-allotment option and the proceeds from the issuance of Class A units and Class U units on the IPO.

#### Transition to International Financial Reporting Standards Accounting Policies

The Fund has adopted International Financial Reporting Standards ("IFRS") accounting policies for the year beginning January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with

**Management Report of Fund Performance**

Canadian generally accepted accounting principles ("Canadian GAAP"). Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, Financial Instruments - Recognition and Measurement, which is determined by the closing bid price for long positions and by the closing ask price for short positions from the recognized stock exchange on which the securities are listed or principally traded. Under IFRS 13, Fair Value Measurement, the fair value of investments is to be based on a price within the bid-ask spread. It also allows the use of certain pricing conventions such as last traded prices as a practical expedient for fair value measurements within a bid-ask spread. Note 5 to the financial statements for the six months ended June 30, 2014 discloses the impact of the transition to IFRS on the Fund's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund's financial statements for the period ended December 31, 2013 prepared under Canadian GAAP.

**Related Party Transactions**

Strathbridge, as the Investment Manager of the Fund, manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Strathbridge dated November 28, 2013.

Strathbridge is the Manager of the Fund pursuant to a Trust Agreement made between the Fund and Strathbridge dated November 28, 2013. As such, Strathbridge is responsible for providing or arranging for required administrative services to the Fund.

Strathbridge is paid the fees described under the Management Fees section of this report.

During the period, no recommendations or approvals were required to be sought from the Independent Review Committee ("IRC") concerning related party transactions.

**Independent Review Committee**

National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

## NDX Growth & Income Fund

### Management Report of Fund Performance

#### Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance from its inception on December 19, 2013.

The information for the period ended 2013 is derived from the Fund's audited annual financial statements.

Information for the period ended June 30, 2014 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 30, 2014			
	Class A		Class U	
<b>THE FUND'S NET ASSETS PER UNIT</b>				
<b>Net Assets, beginning of period<sup>(1)</sup></b>	<b>C\$</b>	<b>9.44<sup>(6)</sup></b>	<b>US\$</b>	<b>9.44<sup>(6)</sup></b>
INCREASE (DECREASE) FROM OPERATIONS				
Total revenue		0.17		0.18
Total expenses		(0.13)		(0.13)
Realized gain (loss) for the period		0.41		0.52
Unrealized gain (loss) for the period		0.10		(0.05)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>		<b>0.55</b>		<b>0.52</b>
DISTRIBUTIONS				
From capital gains		(0.32)		(0.32)
<b>Total Annual Distributions</b>		<b>(0.32)</b>		<b>(0.32)</b>
<b>Net Assets, end of period<sup>(1)</sup></b>	<b>C\$</b>	<b>9.66</b>	<b>US\$</b>	<b>9.62</b>

(1) Net Assets per unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices for the six months ended June 30, 2014 and for the period ended December 31, 2013 at bid prices and the aggregate value of the liabilities divided by the number of units then outstanding.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

	Six months ended June 30, 2014			
	Class A		Class U	
<b>RATIOS/SUPPLEMENTAL DATA</b>				
Net Asset Value (\$millions)	<b>C\$</b>	<b>29.00</b>	<b>US\$</b>	<b>2.81</b>
Number of units outstanding		<b>3,003,113</b>		<b>292,225</b>
Management expense ratio <sup>(1)</sup>		<b>2.39%<sup>(4)</sup></b>		<b>2.50%<sup>(4)</sup></b>
Portfolio turnover rate <sup>(2)</sup>		<b>126.22%</b>		<b>126.22%</b>
Trading expense ratio <sup>(3)</sup>		<b>0.16%<sup>(4)</sup></b>		<b>0.17%<sup>(4)</sup></b>
Net Asset Value per unit <sup>(5)</sup>	<b>C\$</b>	<b>9.66</b>	<b>US\$</b>	<b>9.62</b>
Closing market price	<b>C\$</b>	<b>9.14</b>		

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales taxes but excluding transaction fees, divided by the average net asset value. Generally, the MER increases when the Fund becomes smaller in size due to redemptions.

(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

Management Report of Fund Performance

As a result of the adoption of IFRS, for June 30, 2014, the net assets per unit presented in the financial statements and the net asset value per unit calculated weekly are both valued at closing prices. For the period ended December 31, 2013, the net assets per unit presented in the financial statements differs from the net asset value per unit calculated weekly, primarily as a result of investments being valued at bid prices for financial statements purposes and at closing prices for weekly net asset value purposes.

		Period ended Dec. 31, 2013 <sup>(3)</sup>	
		Class A	Class U
C\$	9.32 <sup>(4)</sup>	US\$	9.33 <sup>(4)</sup>
	—		—
	(0.01)		(0.01)
	(0.01)		0.01
	0.13		0.14
	0.11		0.12
	—		—
	—		—
C\$	9.44	US\$	9.44

(3) For the period from inception on December 19, 2013 to December 31, 2013.

(4) Initial issue price, net of agent fees and initial issue costs.

(5) Distributions to unitholders are based on the number of units outstanding on the record date. All distributions were paid in cash.

(6) Net Assets has been adjusted for the adoption of IFRS. (See Note 5 to the financial statements for the six months ended June 30, 2014).

		Period ended Dec. 31, 2013 <sup>(6)</sup>	
		Class A	Class U
C\$	26.43	US\$	2.82
	2,800,000		298,425
	2.47% <sup>(4)</sup>		2.47% <sup>(4)</sup>
	n/a		n/a
	0.03% <sup>(4)</sup>		0.03% <sup>(4)</sup>
C\$	9.44	US\$	9.44
C\$	9.96		

(3) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.

(4) Annualized.

(5) Net Asset Value per unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities divided by the number of units then outstanding.

(6) For the period from inception on December 19, 2013 to December 31, 2013.

## NDX Growth & Income Fund

### Management Report of Fund Performance

#### Management Fees

Strathbridge, as the Investment Manager and Manager of the Fund, is entitled to fees under the Investment Management Agreement and Trust Agreement calculated monthly as 1/12 of 1.00 percent of the net asset value of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. Strathbridge also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions. Services received under the Trust Agreement include providing or arranging for required administrative services to the Fund.

#### Year-By-Year Returns, Annual Total Return and Annual Compound Return

The Fund has been operational for less than one year. No year-by-year returns, annual total return or annual compound return have been calculated.

#### Portfolio Manager Report

After generating mixed returns in the first quarter of 2014 amid concerns surrounding geopolitical tension between Ukraine and Russia as well as comments from the U.S. Federal Reserve that it would consider raising interest rates, most Global equity markets advanced in the second quarter. The rally was fueled by economic data out of the U.S. which started to rebound from the weakness driven by harsh weather experienced this past winter. Europe, meanwhile, continued to improve economically as indicated by the regional purchasing managers indexes. The European Central Bank kept monetary policy accommodative by reducing its key benchmark rate to an unprecedented rate of negative 0.10 percent with an eye on the possible negative economic effects from geopolitical tensions in Ukraine and the Middle East. Although the Canadian economy posted subdued growth during the six month period, the S&P/TSX Composite Index outperformed most other markets in the first half of 2014 due to strength in the Energy and Materials sectors.

For the six months ended June 30, 2014, the net asset value ("NAV") per Class A unit increased 2.3 percent from C\$9.44 at December 31, 2013 to C\$9.66 at June 30, 2014 and the NAV per Class U unit increased 1.9 percent from US\$9.44 at December 31, 2013 to US\$9.62 at June 30, 2014. Unitholders received cash distributions of C\$0.32 per Class A unit and US\$0.32 per Class U unit. The Fund's Class A units listed on the Toronto Stock Exchange as NGL.UN, closed on June 30, 2014 at C\$9.14 per unit, which represents a 5.4 percent discount to the NAV per Class A unit.

The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2014 was 5.8 percent for the Class A units and 5.4 percent for the Class U units. The total return for the NASDAQ-100SM Index over the same period was 7.9 percent while the equal weighted return of the top 20 highest yielding constituents of the NASDAQ-100SM Index was 2.1 percent. The best performing stock within the portfolio was Garmin Ltd., a global positioning system (GPS) equipment maker, up 34.1 percent after reporting better than expected earnings during the period. At the other end of the spectrum, VimpelCom Ltd., which the Fund was underweight during the period, was down 35.1 percent mostly due to its large exposure to the telecom market in Russia.

Management Report of Fund Performance

Volatility levels for companies within the portfolio remained at the low end of their historical range for most of the period other than a brief spike in January related to news that Russian troops were occupying Crimea, an autonomous republic of Ukraine. The covered call writing activity was opportunistic over the period and took advantage of signals generated by the Strathbridge Selective Overwriting (“SSO”) strategy. The Fund ended June 30, 2014 with approximately 6.6 percent of the portfolio subject to covered calls. During the period, the net realized gain on options attributable to the SSO strategy was C\$0.07 per Class A unit. The Fund maintained its invested position during the majority of the period and ended with a cash position of 2.4 percent compared to 42.5 percent at the end of 2013. The U.S. dollar exposure of the Class A units was actively hedged back into Canadian dollars throughout the period and ended June with 100 percent of the U.S. dollar hedged.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at [www.strathbridge.com](http://www.strathbridge.com).

Asset Mix

June 30, 2014

	% of Net Asset Value
Information Technology	63.1 %
Consumer Discretionary	18.1 %
Industrials	6.4 %
Telecommunication Services	5.1 %
Consumer Staples	4.9 %
Cash	2.4 %
	100.0 %

# NDX Growth & Income Fund

## Management Report of Fund Performance

### Top 25 Holdings

June 30, 2014

	% of Net Asset Value
Intel Corporation	6.6 %
C.H. Robinson Worldwide, Inc.	6.4 %
KLA-Tencor Corporation	6.1 %
Cisco Systems, Inc.	5.9 %
Symantec Corporation	5.2 %
Microsoft Corporation	5.1 %
Seagate Technology PLC	4.9 %
Kraft Foods Group, Inc.	4.9 %
Garmin Ltd.	4.8 %
Linear Technology Corporation	4.4 %
Apple Inc.	4.1 %
Mattel, Inc.	3.7 %
VimpelCom Ltd.	3.1 %
Maxim Integrated Products, Inc.	3.1 %
Analog Devices, Inc.	3.0 %
Texas Instruments Incorporated	3.0 %
Wynn Resorts, Limited	2.9 %
Paychex, Inc.	2.9 %
Staples, Inc.	2.7 %
CA, Inc.	2.6 %
Cash	2.4 %
Micron Technology, Inc.	2.2 %
Vodafone Group Public Limited Company	2.0 %
Tesla Motors, Inc.	2.0 %
Expedia, Inc.	2.0 %

### Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund's views to change, the Fund does not undertake to update any forward-looking statements.

## Management's Responsibility for Financial Reporting

The accompanying financial statements of NDX Growth & Income Fund (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Strathbridge Asset Management Inc. (the "Manager"), and have been approved by the Fund's Board of Advisors (the "Board").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the financial statements for the six months ended June 30, 2014.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Board meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting issues, and to review the annual report, the financial statements and the independent auditor's report. Deloitte LLP, the Fund's independent auditor, has full and unrestricted access to the Board.



John P. Mulvihill  
Director  
Strathbridge Asset Management Inc.



John D. Germain  
Director  
Strathbridge Asset Management Inc.

August 11, 2014

**Notice to Unitholders**

The Fund's independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Chartered Professional Accountants of Canada.

**Statements of Financial Position**

As at June 30, 2014 and December 31, 2013 (Unaudited)  
(In Canadian dollars unless otherwise noted)

	Note	2014	2013
			Restated
<b>ASSETS</b>			
Financial assets at fair value			
through profit or loss	3,5	<b>\$ 31,643,247</b>	\$ 18,435,479
Dividends receivable		<b>47,391</b>	7,823
Due from brokers - investments		<b>2,158,844</b>	–
Cash		<b>752,265</b>	12,500,715
<b>TOTAL ASSETS</b>		<b>34,601,747</b>	30,944,017
<b>LIABILITIES</b>			
Due to brokers - investments		<b>2,542,860</b>	1,027,495
Accrued liabilities		<b>62,371</b>	25,665
Issue expenses payable		–	467,837
<b>TOTAL LIABILITIES</b>		<b>2,605,231</b>	1,520,997
<b>NET ASSETS ATTRIBUTABLE TO</b>			
<b>HOLDERS OF CLASS A AND</b>			
<b>CLASS U UNITS</b>			
	5	<b>\$ 31,996,516</b>	\$ 29,423,020
<b>NET ASSETS ATTRIBUTABLE TO</b>			
<b>HOLDERS OF CLASS A UNITS</b>			
		<b>\$ 29,001,916</b>	\$ 26,428,325
<b>NET ASSETS ATTRIBUTABLE TO</b>			
<b>HOLDERS OF CLASS U UNITS</b>			
		<b>(US\$2,811,420)</b>	(US\$2,818,548)
		<b>\$ 2,994,600</b>	\$ 2,994,695
<b>NET ASSETS ATTRIBUTABLE TO</b>			
<b>HOLDERS OF CLASS A UNITS</b>			
PER UNIT		<b>\$ 9.6573</b>	\$ 9.4387
<b>NET ASSETS ATTRIBUTABLE TO</b>			
<b>HOLDERS OF CLASS U UNITS</b>			
PER UNIT		<b>(US\$9.6207)</b>	(US\$9.4447)
		<b>\$ 10.2476</b>	\$ 10.0350

The notes are an integral part of the Financial Statements.

# NDX Growth & Income Fund

## Financial Statements

### Statement of Comprehensive Income

Six months ended June 30 (Unaudited)

(In Canadian dollars unless otherwise noted)

	Note	2014
<b>INCOME</b>		
Dividend income		\$ 564,639
Net realized gain on foreign exchange at fair value through profit or loss		1,338,826
Net realized gain on options at fair value through profit or loss		255,549
Net realized loss on forward exchange contracts at fair value through profit or loss		(211,958)
Net change in unrealized appreciation/depreciation of investments	5	288,321
<b>TOTAL INCOME</b>		<b>2,235,377</b>
<b>EXPENSES</b>		
Management fees	10	157,537
Administrative and other expenses		45,335
Transaction fees	11	49,710
Custodian fees		34,284
Audit fees		16,290
Advisory board fees	10	10,200
Independent review committee fees	10	3,491
Legal fees		596
Unitholder reporting costs		12,765
Harmonized sales tax		31,997
Withholding taxes		63,313
<b>TOTAL EXPENSES</b>		<b>425,518</b>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A AND CLASS U UNITS</b>	12	<b>\$ 1,809,859</b>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A UNITS PER CLASS A UNIT</b>	12	<b>\$ 0.5501</b>
<b>INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS U UNITS PER CLASS U UNIT</b>	12	<b>(US\$0.5170) \$ 0.5671</b>

The notes are an integral part of the Financial Statements.

**Statement of Changes in Net Assets Attributable to Holders of Class A and Class U Units**

Six months ended June 30 (Unaudited)

	Note	2014
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A AND CLASS U UNITS, BEGINNING OF PERIOD</b>		
Class A	5	\$ 26,428,325
Class U	5	2,994,695
		<b>29,423,020</b>
<b>Increase in Net Assets Attributable to Holders of Class A and Class U Units</b>		
Class A		1,641,269
Class U		168,590
		<b>1,809,859</b>
<b>Unit Transactions</b>		
<b>Proceeds from units issued, net of issue costs</b>		
Class A		1,865,000
<b>Conversions</b>		
Class A		64,155
Class U		(64,155)
		-
<b>Mandatory Market Purchases</b>		
Class A		(33,211)
<b>Distributions</b>		
Class A		(963,622)
Class U		(104,530)
		<b>(1,068,152)</b>
<b>Changes in Net Assets Attributable to Holders of Class A and Class U Units During the Period</b>		
Class A		2,573,591
Class U		(95)
		<b>2,573,496</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A AND CLASS U UNITS, END OF PERIOD</b>		
Class A		\$ 29,001,916
Class U		2,994,600
		<b>\$ 31,996,516</b>

The notes are an integral part of the Financial Statements.

# NDX Growth & Income Fund

## Financial Statements

### Statement of Cash Flows

Six months ended June 30 (Unaudited)

	Note	2014
CASH, BEGINNING OF PERIOD		\$ 12,500,715
<b>Cash Flows Provided by (Used In) Operating Activities</b>		
Increase in Net Assets Attributable to Holders of Class and Class U Units		1,809,859
<b>Adjustments to Reconcile Increase/(Decrease) in Net Assets Attributable to Holders of Class A and Class U Units Net Cash Provided by (Used In) Operating Activities</b>		
Purchase of investment securities		(49,049,430)
Proceeds from disposition of investment securities		37,454,013
Net realized (gain)/loss on foreign exchange at fair value through profit or loss		(1,338,826)
Net realized (gain)/loss on options at fair value through profit or loss		(255,549)
Net realized (gain)/loss on forward exchange contracts at fair value through profit or loss		211,958
Net change in unrealized appreciation/depreciation of investments	5	(288,321)
(Increase)/decrease in dividends receivable and due from brokers - investments		(2,198,412)
Increase/(decrease) in due to brokers - investments, issue expenses payable and accrued liabilities		1,084,234
Net change in unrealized appreciation/depreciation of cash		58,387
		<u>(14,321,946)</u>
<b>Cash Flows Provided by (Used In) Financing Activities</b>		
Class A unit distributions		(963,622)
Class U unit distributions		(104,530)
Proceeds from Class A units issued, net of issue costs		1,865,000
Mandatory market purchases		(33,211)
		<u>763,637</u>
<b>Net Increase/(Decrease) in Cash During the Period</b>		<u>(11,748,450)</u>
CASH, END OF PERIOD		\$ 752,265
		<u>525,071</u>

The notes are an integral part of the Financial Statements.

Schedule of Investments

As at June 30, 2014 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Class A and Class U Units
<b>INVESTMENTS</b>				
<b>United States Common Shares</b>				
<b>Consumer Discretionary</b>				
Expedia, Inc.	7,600	\$ 642,891	\$ 637,564	
Garmin Ltd.	23,800	1,311,161	1,543,858	
Mattel, Inc.	28,200	1,302,907	1,170,557	
Staples, Inc.	75,000	1,089,713	865,971	
Tesla Motors, Inc.	2,500	647,348	639,250	
Wynn Resorts, Limited	4,240	925,497	937,395	
<b>Total Consumer Discretionary</b>		5,919,517	5,794,595	18.1 %
<b>Consumer Staples</b>				
Kraft Foods Group, Inc.	24,600	1,471,954	1,570,859	4.9 %
<b>Industrials</b>				
C.H. Robinson Worldwide, Inc.	30,200	1,883,454	2,051,977	6.4 %
<b>Information Technology</b>				
Analog Devices, Inc.	16,700	956,723	961,803	
Apple Inc.	13,300	1,233,997	1,316,499	
CA, Inc.	27,300	999,097	835,723	
Cisco Systems, Inc.	71,300	1,796,230	1,887,248	
Facebook, Inc.	8,800	635,150	630,696	
Google Inc.	1,000	624,176	622,760	
Intel Corporation	64,500	1,830,767	2,122,908	
KLA-Tencor Corporation	25,400	1,810,380	1,965,272	
Linear Technology Corporation	27,900	1,413,598	1,398,818	
Maxim Integrated Products, Inc.	27,600	973,340	993,956	
Micron Technology, Inc.	20,300	633,601	712,467	
Microsoft Corporation	36,600	1,531,530	1,625,662	
Paychex, Inc.	20,900	996,302	925,198	
Seagate Technology PLC	26,000	1,552,508	1,573,576	
Symantec Corporation	67,900	1,615,215	1,656,221	
Texas Instruments Incorporated	18,800	932,806	956,991	
<b>Total Information Technology</b>		19,535,420	20,185,798	63.0 %
<b>Telecommunication Services</b>				
VimpelCom Ltd.	72,000	910,423	644,206	
Vodafone Group PLC - SP ADR	28,054	1,287,270	997,756	
<b>Total Telecommunication Services</b>		2,197,693	1,641,962	5.1 %
<b>Total United States Common Shares</b>		\$ 31,008,038	\$ 31,245,191	97.5 %

The notes are an integral part of the Financial Statements.

# NDX Growth & Income Fund

## Financial Statements

### Schedule of Investments

As at June 30, 2014 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Net Assets Attributable to Holders of Class A and Class U Units
<b>Forward Exchange Contracts</b>				
Sold USD \$8,630,000, Bought CAD \$9,375,891 @ 0.92045 - July 16, 2014			\$ 179,483	
Sold USD \$9,350,000, Bought CAD \$10,177,942 @ 0.91865 - August 6, 2014			208,690	
Sold USD \$2,000,000, Bought CAD \$2,147,860 @ 0.93116 - August 20, 2014			14,751	
Sold USD \$6,400,000, Bought CAD \$6,876,480 @ 0.93071- September 10, 2014			47,048	
<b>Total Forward Exchange Contracts</b>			\$ 449,972	1.4 %
<b>Options</b>				
<b>Written Covered Call Options</b> (100 shares per contract)				
CA, Inc. - August 2014 @ \$29	(91)	\$ (6,705)	\$ (6,643)	
Garmin Ltd. - July 2014 @ \$60	(48)	(5,207)	(8,819)	
Linear Technology Corporation - August 2014 @ \$47	(79)	(9,112)	(11,360)	
Mattel, Inc. - July 2014 @ \$39	(150)	(12,891)	(13,980)	
Vodafone Group PLC - SP ADR - July 2014 @ \$33	(141)	(10,533)	(11,114)	
<b>Total Written Covered Call Options</b>		(44,448)	(51,916)	
<b>Total Options</b>		\$ (44,448)	\$ (51,916)	
Adjustment for transaction fees		(14,635)		
<b>TOTAL INVESTMENTS</b>		\$ 30,948,955	\$ 31,643,247	98.9 %
<b>OTHER NET ASSETS</b>			353,269	1.1 %
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF CLASS A AND CLASS U UNITS</b>			\$ 31,996,516	100.0 %

The notes are an integral part of the Financial Statements.

## 1. Fund Information

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NDX Growth & Income Fund (the “Fund”) is an investment trust established under the laws of the Province of Ontario on November 28, 2013. The Fund began operations on December 19, 2013. The address of the Fund’s registered office is 121 King Street West, Suite 2600, Toronto, Ontario.

The Fund is a closed-end investment trust designed to provide stable quarterly cash distributions and the opportunity for capital appreciation. The Class A units are listed on the Toronto Stock Exchange under the ticker symbol NGL.UN and are hedged back to the Canadian dollar. The Class U units are denominated in U.S. dollar currency and do not trade on an exchange. To accomplish its objectives, the Fund invests in an actively managed portfolio consisting primarily of the top 20 highest yielding constituents of the NASDAQ-100SM Index (the “NASDAQ-100”). The NASDAQ 100 includes 100 of the largest U.S. domestic and international non-financial securities listed on The NASDAQ Stock Market based on market capitalization. Each top 20 security held in the Portfolio shall at the time of purchase have a weighting of between 3 percent and 7 percent of the Fund’s net asset value. The Portfolio will be reconstituted on December 31 of each year to include the then top 20 highest yielding constituents of the NASDAQ 100.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), to enhance the income generated by the portfolio and to reduce volatility. The Fund intends to strategically write covered call options from time to time, in respect of not more than 33 percent of the securities in its portfolio. In addition, the Fund may write covered put options (up to a maximum of 10 percent of the Fund’s net asset value) in respect of securities in which it is permitted to invest.

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the Fund while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

These financial statements were approved by the Board of Advisors on August 11, 2014.

## 2. Basis of Presentation and Adoption of International Financial Reporting Standards

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The semi-annual financial statements for the Fund have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The Fund has adopted International Financial Reporting Standards (“IFRS”) accounting policies for the year beginning January 1, 2014 as required by Canadian securities legislation and the Canadian Accounting Standards Board. Previously, the Fund prepared its financial statements in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The Fund has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position and throughout all periods presented, as if these accounting policies had always been in effect. Note 5 discloses the impact of the transition to IFRS on the Fund’s reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Fund’s financial statements for the year ended December 31, 2013 prepared under Canadian GAAP.

## NDX Growth & Income Fund

### Notes to Financial Statements

June 30, 2014

#### 3. Summary of Significant Accounting Policies

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##### Functional and Presentation Currency

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the “functional currency”). The Fund’s portfolio is predominately United States securities and the functional currency is U.S. dollars. The financial statements of the Fund are presented in Canadian dollars which is the Fund’s presentation currency.

##### Financial Instruments

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The Fund’s investments and derivatives within the portfolio are held for trading and measured at fair value through profit or loss (“FVTPL”).

##### Fair Value Measurement

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. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. On adoption of IFRS, the Fund uses the last traded market price as its valuation input for financial assets and liabilities if the last traded price falls within the bid-ask spread. In other circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value for financial reporting purposes.

The fair value of financial assets and liabilities that are not traded in an active market is determined by valuation techniques as described in Note 4.

##### Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Net realized gain/loss on investments at fair value through profit or loss and change in unrealized appreciation/depreciation of investments at fair value through profit or loss are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

- (i) Expiration of written options whereby realized gains are equivalent to the premium received,
- (ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option, and
- (iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in net realized gain/ (loss) on options at fair value through profit or loss. Realized gains and losses relating to purchased put options may arise from:

- (i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid,
- (ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid, and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in the change in unrealized appreciation/depreciation of investments at fair value through profit or loss. The premiums received on written put options that are exercised are included in the cost of the security purchased.

Dividend income is recorded on the ex-dividend date.

Interest income is measured using the effective interest method and recorded on a daily basis.

### Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

Foreign exchange gains (losses) on short-term investments are reflected as interest income (loss). Realized gains (losses) relating to forward exchange contracts are included in net realized gain/ (loss) on forward exchange contracts at fair value through profit or loss. Other foreign exchange gains (losses) are recorded as realized or unrealized gain (loss) on investments at fair value through profit or loss, as appropriate.

### Short-Term Investments

Short-term investments are held for investment purposes and consist primarily of money market instruments with original maturities of one year or less.

### Increase/(Decrease) in Net Assets Attributable to Holders of Class A and Class U Units

The increase/(decrease) in net assets attributable to holders of Class A and Class U units per unit is calculated by dividing the increase/(decrease) in net assets attributable to holders of Class A and Class U units by the weighted average number of Class A and Class U units outstanding during the period. Please refer to Note 12 for the calculation.

### Taxation

The Fund is a “mutual fund trust” as defined in the Income Tax Act (Canada) (the “Act”). The Fund is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable to unitholders is recoverable by the Fund to the extent and in the circumstances provided in the Act. Given the investment and distribution policies of the Fund and taking into account expenses, the Fund does not expect to bear any appreciable non-refundable income tax.

The Fund currently incurs withholding taxes imposed by certain foreign countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Foreign withholding taxes are shown as a separate item in the statement of comprehensive income.

## NDX Growth & Income Fund

### Notes to Financial Statements

June 30, 2014

#### 4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgement in applying accounting policies and to make estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

In classifying and measuring the financial instruments held by the Fund, the Manager determined that the Fund invests on a total return basis for the purpose of applying the fair value option for financial assets under IAS 39, Financial Instruments - Recognition and Measurement. The portfolio investments are held for trading and valued at FVTPL accordingly.

The Fund may, from time to time, hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined by using valuation models and techniques generally recognized as standard within the investment industry. These valuation methods use observable data as practicable as possible. Observable market data are readily available and supplied by independent sources actively involved in the relevant market. However, areas such as credit risk (both own and counterparty) and its correlations require the Manager to make estimates. Significant changes in assumptions about these factors could adversely affect the reported fair values of financial instruments. Please refer to Note 7 for a further analysis of risks associated with financial instruments.

#### 5. Transition to IFRS

The effect of the Fund's transition to IFRS is summarized as follows:

##### Transition Elections

No financial asset or liability at FVTPL was designated at inception by way of voluntary exemption. Based on the investment strategies adopted by the Fund, securities in the portfolio are classified as held for trading and therefore required to be at FVTPL.

##### Reconciliation of Net Assets and Comprehensive Income as previously reported under Canadian GAAP to IFRS

	Dec. 31, 2013
Net Assets	
Net Assets as reported under Canadian GAAP	\$ 29,416,522
Revaluation of investments at FVTPL	6,498
Net Assets Attributable to Holders of Class A and U units	\$ 29,423,020

Under Canadian GAAP, the Fund measured the fair values of its investments in accordance with Section 3855, Financial Instruments - Recognition and Measurement, which is determined by the closing bid price for long positions and by the closing ask price for short positions from the recognized stock exchange on which the securities are listed or principally traded. If no bid or ask prices are available, the securities are valued at the closing sale price or the Manager may estimate fair value using appropriate and accepted industry valuation techniques including valuation models. Under IFRS 13, Fair Value Measurement, the fair value of investments is to be based on a price within the bid-ask spread. It also allows the use of certain pricing conventions such as last traded prices as a practical expedient for fair value measurements within a bid-ask spread. As a result of the use of last traded prices upon IFRS transition, adjustments were recognized to increase the carrying amount of the Fund's investments by \$6,498 as at December 31, 2013.

## Reclassification Adjustments

The Fund reclassified withholding taxes from the total revenue section to the total expenses section in the Statement of Comprehensive Income upon transition in order to conform to the financial statement presentation under IFRS. Under Canadian GAAP, the Fund classified Class A and Class U units as equity. Under IFRS, Class A and Class U units will be classified as liabilities.

## 6. Capital Disclosures

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IAS 1, Presentation of Financial Statements, requires the disclosure of: (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Fund's objectives, policies and processes are described in Note 1, information on the Fund's units is described in Note 9 and the trust indenture does not have any externally imposed capital requirements.

## 7. Risks Associated with Financial Instruments

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The Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include credit risk, liquidity risk, market risk (including currency risk, interest rate risk, and price risk), concentration risk and capital risk management.

Tables are based on restatements of values of financial assets at fair value through profit and loss and unrealized appreciation/depreciation of investments as at December 31, 2013 to comply with IFRS. Note 5 discloses the transition adjustments.

### Credit Risk

The Fund is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. The Fund manages these risks through the use of various risk limits and trading strategies.

The Fund is also exposed to counterparty credit risk on derivative financial instruments. The counterparty credit risk for derivative financial instruments is managed by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102. During the periods ended June 30, 2014 and December 31, 2013, the counterparties to the Fund's derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor's Ratings Services.

### Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests the majority of its assets in investments that are traded in an active market and which can be easily disposed. In addition, the Fund aims to retain sufficient cash and short-term investments to maintain liquidity and to meet its obligations when due.

Cash is required to fund redemptions. Unitholders must surrender units at least 10 business days prior to the last day of the month and receive payment on or before 15 calendar days following the month end valuation date. Therefore the Fund has a maximum of 21 business days to generate sufficient cash to fund redemptions mitigating liquidity issues.

## NDX Growth & Income Fund

### Notes to Financial Statements

June 30, 2014

The amounts in the table are the contractual undiscounted cash flows:

	June 30, 2014 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ -	\$ 62,371	\$ 62,371
Due to brokers - investments	-	2,542,860	2,542,860
	\$ -	\$ 2,605,231	\$ 2,605,231

  

	December 31, 2013 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ -	\$ 25,665	\$ 25,665
Issue expenses payable	467,837	-	467,837
Due to brokers - investments	-	1,027,495	1,027,495
	\$ 467,837	\$ 1,053,160	\$ 1,520,997

### Market Risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The following include sensitivity analyses that show how the net assets attributable to holders of Class A and Class U units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

#### (a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The portfolio includes securities and options denominated in foreign currencies. The net asset value of the Fund and the value of the dividends and option premiums received by the Fund will be affected by fluctuations in the value of the foreign currencies relative to the Canadian dollar. The Fund uses foreign exchange contracts to actively hedge the majority of its foreign currency exposure.

The table below indicates the foreign currencies to which the Fund had significant exposure to as at June 30, 2014 and December 31, 2013 in CAD terms, and the notional amounts of forward exchange contracts. The table also illustrates the potential impact on the net assets attributable to Class A units if CAD dollar had strengthened or weakened by 5 percent in relation to each of the other currencies, with all other variables held constant.

	June 30, 2014 United States Currency Exposure			Impact on Net Assets Attributable to Holders of Class A and Class U Units		
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
		\$(27,978,895)	\$ 30,809,259	\$ 2,830,364	\$(1,398,945)	\$ 1,540,463
% of Net Assets Attributable to Holders of Class A and Class U Units	(87)%	96%	9%	(4)%	5%	1%

Notes to Financial Statements

June 30, 2014

December 31, 2013  
United States Currency Exposure

	Impact on Net Assets Attributable to Holders of Class A and Class U Units					
	Monetary	Non-Monetary	Total	Monetary	Non-Monetary	Total
	\$ (14,062,478)	\$ 17,274,662	\$ 3,212,184	\$ (703,124)	\$ 863,733	\$ 160,609
% of Net Assets Attributable to Holders of Class A and Class U Units	(48)%	59%	11%	(2)%	3%	1%

(b) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a financial instrument. The financial instruments which potentially expose the Fund to interest rate risk are the short-term fixed income securities. The Fund has minimal sensitivity to changes in rates since securities are usually held to maturity and are short-term in nature.

(c) Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to price risk arises from its investments in equity securities. Net assets per unit varies as the value of the securities in the Fund varies. The Fund has no control over the factors that affect the value of the securities in the Fund, including factors that affect all the constituents of the NASDAQ 100.

The Fund's price risk is managed by taking a long-term perspective and utilizing an option writing program, as well as by the use of purchased put options. Approximately 98 percent (December 31, 2013 - 62 percent) of the Fund's net assets attributable to holders of Class A and Class U units held at June 30, 2014 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2014, the net assets attributable to holders of Class A and Class U units would have increased or decreased by \$1.6M (2013 - \$0.9M) respectively or 4.9 percent (December 31, 2013 - 3.1 percent) of the net assets attributable to holders of Class A and Class U units all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Concentration Risk

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

	June 30, 2014	Dec. 31, 2013
Information Technology	64.6%	61.8%
Consumer Discretionary	18.5%	24.6%
Industrials	6.6%	-
Telecommunication Services	5.3%	7.0%
Consumer Staples	5.0%	6.6%
	100.0%	100.0%

## NDX Growth & Income Fund

### Notes to Financial Statements

June 30, 2014

#### Capital Risk Management

Units may be surrendered at any time for redemption to Computershare Investor Services, the Fund's registrar and transfer agent, but will be redeemed only on a Redemption Date. Units surrendered for redemption on or before an Annual Redemption Deadline will be redeemed on the Annual Redemption Date corresponding to such Annual Redemption Deadline. Units surrendered for redemption on or before a Monthly Redemption Deadline will be redeemed on the Monthly Redemption Date corresponding to such Monthly Redemption Deadline. Unitholders will receive payment for the Units on or before the Redemption Payment Date. If a Unitholder surrenders Units after 5:00 p.m. (Toronto time) on the applicable cut-off date, the Units will be redeemed on the following Redemption Date. Redemption proceeds will be payable in Canadian dollars to holders of Class A Units and in U.S. dollars to holders of Class U Units.

#### Fair Value Measurement

The Fund classifies fair value of measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3: Inputs that are based on unobservable market data.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2014 and December 31, 2013.

	As at June 30, 2014				Total
	Level 1	Level 2	Level 3		
United States Common Shares	\$ 31,245,191	\$ -	\$ -	\$ 31,245,191	
Forward Exchange Contracts	-	449,972	-	449,972	
Options	(51,916)	-	-	(51,916)	
	\$ 31,193,275	\$ 449,972	\$ -	\$ 31,643,247	

  

	As at December 31, 2013				Total
	Level 1	Level 2	Level 3		
United States Common Shares	\$ 18,302,157	\$ -	\$ -	\$ 18,302,157	
Forward Exchange Contracts	-	133,322	-	133,322	
	\$ 18,302,157	\$ 133,322	\$ -	\$ 18,435,479	

The carrying values of cash, dividends receivable, interest receivable, due to brokers - investments, accrued liabilities, issue expenses payable, due from brokers - investments and redemptions payable and the Fund's obligation for net assets attributable to holders of Class A and Class U units approximate their fair values due to their short-term nature.

(a) Equities

The Fund's equity positions are classified as Level 1 as equity securities are actively traded and a reliable quoted price is observable.

(b) Short-Term Investments

Short-term investments are valued at cost plus accrued interest which approximates fair value. The inputs are generally observable and therefore short-term investments have been classified as Level 2.

(c) Derivative Assets and Liabilities

Derivative assets and liabilities consist of forward exchange contracts and option contracts.

Listed options are classified as Level 1 as the security is traded in a recognized exchange and a reliable price is readily observable.

Fair value of over-the-counter options is determined using the Black-Scholes Model with observable market data as inputs. Forward exchange contracts are valued on the gain or loss that would be realized if, on the valuation date, the position in the forward exchange contract, as the case may be, was to be closed out. Over-the-counter option and forward exchange contracts for which the credit risks are determined not to be significant to fair value, have been classified as Level 2.

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2014 and during the period ended December 31, 2013.

8. Financial Instruments by Category

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2014 and December 31, 2013. All the Fund's financial liabilities, other than its net assets attributable to Class A and Class U units, were carried at amortized cost.

Tables are based on restatements of values of financial assets at fair value through profit and loss and unrealized appreciation/depreciation of investments as at December 31, 2013 to comply with IFRS. Note 5 discloses the transition adjustments.

Assets	As at June 30, 2014		Total
	Held for Trading	Financial Assets at Amortized Cost	
Non-derivative financial assets	\$ 31,245,191	\$ -	\$ 31,245,191
Derivative assets	398,056	-	398,056
Cash	-	752,265	752,265
Dividends receivable	-	47,391	47,391
Due from brokers - investments	-	2,158,844	2,158,844
	\$ 31,643,247	\$ 2,958,500	\$ 34,601,747

Assets	As at December 31, 2013		Total
	Held for Trading	Financial Assets at Amortized Cost	
Non-derivative financial assets	\$ 18,302,157	\$ -	\$ 18,302,157
Derivative assets	133,322	-	133,322
Cash	-	12,500,715	12,500,715
Dividends receivable	-	7,823	7,823
	\$ 18,435,479	\$ 12,508,538	\$ 30,944,017

## NDX Growth & Income Fund

### Notes to Financial Statements

June 30, 2014

The following table presents the net realized gains/(losses) on financial instruments at FVTPL by category for the six months ended June 30, 2014.

	Net Realized Gains/(Losses)	
	June 30,	
	2014	
Financial Assets at FVTPL		
Held for Trading	\$	1,382,417
Total Financial Assets at FVTPL	\$	1,382,417

### 9. Class A and Class U Units

The Fund's authorized capital includes an unlimited number of Class A units (the "Class A Units") and an unlimited number of Class U units (the "Class U Units"). On November 28, 2013, the Fund issued one Class A Unit for \$10.00 cash. The Class A Units and Class U Units are together referred to as the "Units".

The Fund intends to pay equal quarterly cash distributions on the last business day of the months of March, June, September and December in an amount targeted to be 6.0 percent per annum of the issue price of the Class A and Class U units in their respective currencies. The initial cash distribution was paid on March 31, 2014 and was prorated to reflect the period from the December 19, 2013 to March 31, 2014.

During the six months ended June 30, 2014 and period ended December 31, 2013, unit transactions are as follows:

	June 30, 2014	Dec. 31, 2013
<b>Class A Units</b>		
Units outstanding, beginning of period	2,800,000	-
Units issued	200,000	2,800,000
Conversions	6,713	-
Mandatory market repurchases	(3,600)	-
Units redeemed	-	-
Units outstanding, end of period	3,003,113	2,800,000
<b>Class U Units</b>		
Units outstanding, beginning of period	298,425	-
Conversions	(6,200)	-
Units issued	-	298,425
Units redeemed	-	-
Units outstanding, end of period	292,225	298,425

### 10. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### (a) Management Fees

Strathbridge, as the Investment Manager and Manager under the terms of the Investment Management Agreement and Trust Agreement, receives fees payable at annual rates of 1.00 percent of the net asset value of the Fund, calculated and payable monthly, plus applicable taxes. The Fund is responsible for all ongoing custodian, manager, legal, accounting and audit fees as well as all other expenses incurred by the Custodian and Manager in the ordinary course of business relating to the Fund's operations. Total management fees for the six months ended June 30, 2014 was \$157,537.

**(b) Board of Advisors' Remuneration**

Total remuneration paid to the external members of the Board of Advisors for the six months ended June 30, 2014 were \$10,200.

**(c) Independent Review Committee Fees**

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2014 was \$3,491.

**11. Brokerage Commissions and Soft Dollars**

The Manager may select brokerages who charge a commission in soft dollars if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. The ascertainable soft dollar value received as a percentage of total transaction fees paid during the six months ended June 30, 2014 is disclosed below:

	June 30, 2014
Soft Dollars	\$ 11,527
Percentage of Total Transaction Fees	23.2%

**12. Increase/(Decrease) in Net Assets Attributable to Holders of Class A and Class U Units per Unit**

The Increase/(Decrease) in Net Assets Attributable to Holders of Class A and Class U units per Unit for the six months period ended June 30, 2014 is calculated as follows:

	June 30, 2014	
	Class A	Class U
Increase in Net Assets Attributable to Holders of Units	\$1,641,269	\$ 168,590
Weighted Average Number of Units Outstanding during the Period	2,983,810	297,308
Increase in Net Assets Attributable to Holders of Units per Unit	\$ 0.5501	\$ 0.5671

**13. Future Accounting Policy Changes**

IFRS 9: Financial Instruments ("IFRS 9"), which is intended to replace IAS 39 Financial Instruments: Recognition and Measurement, sets forth new requirements for financial instrument classification and measurement, impairment and hedge accounting. The mandatory effective date of IFRS 9 has been tentatively set for January 1, 2018. Although entities may still choose to apply IFRS 9 immediately, the Fund has chosen not to early adopt IFRS 9. Based on the Manager's current understanding and analysis of IFRS 9, the transition to IFRS 9 will change the manner in which investments are disclosed with no impact to value.

### Investment Funds Managed by Strathbridge Asset Management Inc.

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#### UNIT TRUSTS

Canadian Utilities & Telecom Income Fund (UTE.UN)  
Core Canadian Dividend Trust (CDD.UN)  
Gold Participation and Income Fund (GPF.UN)  
Low Volatility U.S. Equity Income Fund (LVU.UN)  
NDX Growth & Income Fund (NGI.UN)  
Premier Canadian Income Fund (PCU.UN)  
Top 10 Canadian Financial Trust (TCT.UN)

#### SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)  
S Split Corp. (SBN.PR.A/SBN)  
Top 10 Split Trust (TXT.PR.A/TXT.UN)  
World Financial Split Corp. (WFS.PR.A/WFS)

#### Head Office

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Strathbridge Asset Management Inc.  
121 King Street West, Suite 2600  
Standard Life Centre, P.O. Box 113  
Toronto, Ontario  
M5H 3T9

Tel: 416-681-3966  
Toll Free: 1-800-725-7172  
Fax: 416-681-3901  
Email: [info@strathbridge.com](mailto:info@strathbridge.com)

Visit our website at [www.strathbridge.com](http://www.strathbridge.com) for additional information on all Strathbridge Investment Funds.





  
**strathbridge**  
ASSET MANAGEMENT

[www.strathbridge.com](http://www.strathbridge.com)

Strathbridge Asset Management Inc.  
Investor Relations  
121 King Street West, Suite 2600  
Standard Life Centre, P.O. Box 113  
Toronto, Ontario  
M5H 3T9

Tel: 416-681-3966  
Toll Free: 1-800-725-7172  
Fax: 416-681-3901  
Email: [info@strathbridge.com](mailto:info@strathbridge.com)