MANAGED BY BLOOM INVESTMENT COUNSEL, INC.

BLOOM SELECT INCOME FUND

INTERIM REPORT FOR THE SIX MONTHS ENDED JUNE 30, 2019

BLB.UN

FORWARD-LOOKING STATEMENTS

Some of the statements contained herein including, without limitation, financial and business prospects and financial outlook may be forward-looking statements which reflect management's expectations regarding future plans and intentions, growth, results of operations, performance and business prospects and opportunities. Words such as "may," "will," "should," "could," "anticipate," "believe," "expect," "intend," "plan," "potential," "continue" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic and market conditions and other risk factors. Although the forward-looking statements contained herein are based on what management believes to be reasonable assumptions, we cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof, unless otherwise indicated, and we assume no obligation to update or revise them to reflect new events or circumstances.

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim management report of fund performance for Bloom Select Income Fund (the "Fund") contains financial information but does not contain the interim or audited annual financial statements of the Fund. The interim financial statements follow this report. You may obtain a copy of any of the Fund's annual or interim reports, at no cost, by calling 1-855-BLOOM18 or by sending a request to Unitholder Information, Bloom Investment Counsel, Inc., Suite 1710, 150 York Street, Toronto, Ontario, M5H 3S5, or by visiting our website at www.bloomfunds.ca or SEDAR at www.sedar.com. Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, Independent Review Committee's report, or quarterly portfolio disclosure.

In accordance with investment fund industry practice, all figures presented in this management report of fund performance, unless otherwise noted, are based on the Fund's calculation of its net asset value, which is in accordance with the terms of the Fund's declaration of trust and annual information form, and is based on closing market prices of investments. Figures presented in the financial statements and certain figures presented in this management report of fund performance are based on net assets calculated using International Financial Reporting Standards which require the use of a price between the last bid and ask prices for investment valuation, which may differ from the closing market price.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

THE FUND

Bloom Select Income Fund is a closed-end investment trust managed by Bloom Investment Counsel, Inc. ("Bloom" or the "Manager"). Bloom provides administrative services to the Fund and actively manages the Fund's portfolio. The units of the Fund trade on the Toronto Stock Exchange ("TSX") under the symbol BLB.UN. The units of the Fund are RRSP, DPSP, RRIF, RESP, RDSP and TFSA eligible. This Fund has a distribution reinvestment plan ("DRIP") allowing unitholders to automatically reinvest their monthly distributions in additional units of the Fund.

INVESTMENT MANAGER

BLOOM
INVESTMENT COUNSEL, INC.

The Manager was established in 1985 and specializes in the management of segregated investment portfolios for wealthy individuals, foundations, corporations, institutions and trusts. In addition to its conventional investment management business, the Manager currently manages specialty high-income equity portfolios, comprised of dividend paying common equity securities, income trusts and real estate investment trusts, for four TSX listed closed end funds and one open ended mutual fund.

INVESTMENT MANAGER'S REPORT

July 3, 2019

Fund performance

The Fund returned 15.4% for the first six months of the year which was in line with the S&P/TSX High Dividend Total Return Index but while a strong result, it slightly lagged the S&P/TSX Composite Total Return Index. In a strong first half to the year, positions in Noranda Income Fund, Altus Group Limited and Superior Plus Corp. were the greatest contributors to performance. The strongest performing sectors for the Fund were Financials, Energy and Real Estate.

Since the Fund is actively managed, the sector weightings differ from those of the indices mentioned above (the "Indices"). The Fund's portfolio contains predominantly high dividend paying securities, whereas the S&P/TSX Composite Total Return Index does not necessarily focus on this type of investment. Also, the investment objectives of the Fund dictate that the Fund invest only in stocks displaying a low volatility at the time of purchase, and therefore the Fund is unable to purchase a significant number of stocks included in the Indices. As well, the Fund may invest in issuers that are not included in the Indices. Further, the Indices are calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses. For these reasons it is not expected that the Fund's performance will mirror those of the Indices.

The Canadian Economy

The Bank of Canada's (BoC) stance after its release of GDP numbers in May was more optimistic, particularly with regards to the economic outlook and business investment. The latter is an important consideration with a stretched consumer. The BoC affirmed that GDP was picking up after two quarters of weakness with March's growth of 0.5% month-over-month gaining broadly and helping the first quarter to achieve a 0.4% annualized growth.

Considering the BoC's relatively more optimistic view than the market's on growth, consensus is that it would only reluctantly trim rates in response to decreases in the U.S. Federal Reserve (Fed) rate. Another key BoC consideration is not fueling already high levels of consumer indebtedness. As such, the likelihood of a rate cut in Canada this year is low. Markets have 50 bps more easing for the Fed priced in than for the BoC. If this scenario plays out, and the BoC is behind the Fed in cutting rates, this would put upward pressure on the Canadian dollar and downward pressure on exports.

Canada's trade deficit continues to be wide this year and has averaged the largest gap on record over the past four months. The drop in oil prices last year played a central role in this; however, the deficit remains quite high notwithstanding the rebound in oil prices. In addition, the deficit is impacted by global trade uncertainty and a weak competitive position.

During the second quarter, Canadian heavy crude slipped back into a bear market with the price of Western Canada Select (WCS) down more than 20% from its peak on April 9th. From the record lows for WCS seen last year its price and discount to West Texas Intermediate (WTI) rebounded/compressed strongly in the first quarter to the point where it became uneconomic for a period to ship crude by rail. Curtailments brought in by the prior Alberta government were a driving factor in the run-up at the beginning of the year before the more recent decline.

Trade matters are further complicated for Canada by the status of the USMCA agreement between Canada, the U.S. and Mexico and being caught in the trade disagreement between the U.S. and China. The USMCA, though ratified, is the victim of politics in the U.S. leading up to the coming election in 2020. Meanwhile, it is primarily the agriculture sector (canola and pork) in Canada (disproportionately impacting Western Canada which is already facing challenges in the Energy sector) that is being targeted by the Chinese as a result of the disagreement with the U.S. and the imbroglio with Chinese technology company Huawei.

Canadian existing home sales for May posted the fastest yearly rise (6.7%) in three years. Results were mixed across the country, but many of the weakest markets (Western Canada) showed signs of stabilization while robust markets are exhibiting resumed strength – most notably Toronto.

Month-to-month results in housing have been volatile this year, with weather-induced slowness to start the year and pent-up activity in April. However, we are seeing strength return to the housing market after the pause created by the federal government's mortgage qualification-tightening (B-20) guidelines. The effect on Canadian housing in the past year has reined in household debt ratios. The closely-watched debt/income ratio eased in the first quarter to a still high 173%, but was down just less than 1% from a record in the prior quarter. As 5-year Canada bond yields move lower, so could mortgage rates, offering some near-term consumer relief.

Another consumer-sensitive category we monitor is autos. Auto sales continue to be very weak. Sales have been negative year-over-year in every month since February 2017 and have decreased 4.4% year-to-date over the prior year.

Ontario's consumer confidence rose strongly up 7.8 points to 113.4 in June, the highest level in 8 months. However, consumer confidence across Canada has not risen in the past year partly due to factors such as falling oil prices and trade headwinds stunting business investment decisions.

Employment in the last year has seen the strongest 12-month increase in jobs since 2003. In May, unemployment dipped to 5.4%, the lowest since the data series began in 1976. The only blemishes to this are that hours worked actually declined in May and growth in wages is occurring, but struggling to push above headline inflation running at 2%.

In its May release the BoC expressed a view that appeared to be an effort to temper the more negative yield curve inversion view of the market. Here again the market is on a different page and in contrast is discounting the inverted curve as a harbinger of recession. Towards the end of the second quarter, Canadian yields experienced an extreme inversion, which occurs when the 30-year bond yield is lower than the overnight rate. Yields lower than 2% at the long end of the curve are the financial markets way of signaling that the "neutral rate" is much lower than the Bank's revised (and lowered) estimate of 2.25%-3.25%.

Market Performance

The S&P/TSX Composite Total Return Index declined 3.1% in May after being up 16.9% for the first four months of the year. However, this decline was reversed in June with the Index increasing 2.5% in the month and ending the first six months of 2019 up 16.2%. Most of the rise occurred in the first two months of the year. Overall, the first half of the year has been rewarding with some caution warranted from the weak performance in May.

The return to monetary easing has been one of the foremost contributors to this year's strong performance thus far. It has been quite remarkable with the market currently pricing in rate cuts where just six months ago it was pricing in rate hikes. Near the end of June, Fed-funds futures showed an 85% chance of a July rate cut – up from just 25% the prior month. For the BoC there is only so long it can go against the grain of rate-cutting by the U.S Fed before feeling pressure to follow.

Sectors within the market generally comprised of higher yielding stocks have been beneficiaries of the shift back towards monetary easing. With the oil price (Western Canadian Select) pulling back from the April high, however, the Energy sector added to May's weakness in the Canadian market. Bank stocks within the Financial sector have at times reflected concerns around declining rates, inversion of the yield curve and increasing late-cycle credit risk.

With the Energy sector making up 17% of the S&P/TSX Composite, developments in this sector continue to weigh on performance. Further uncertainty and delays involving Enbridge's Line 3 expansion continue to impact pipeline egress issues. On a positive note, the Canadian government approved the Trans Mountain Pipeline expansion project on

June 18th, although, this was already expected by the market and the government has provided very few specifics. Prior commentary has suggested completion by 2022-2023, but based on mishandling and opposition so far, timing and its very completion are uncertain. We believe more is needed for the situation to improve materially.

Finally, the escalation of trade tensions broadly, but centering around the U.S. and China, reverberated through global markets including Canada. On May 5th the U.S. President said he would raise tariffs on $200 billion worth of Chinese goods from 10% to 25%. This round of uncertainty involved the Technology sector in particular. Some insulation to the Canadian market comes from the fact that Information Technology only makes up 5% of the S&P/TSX Composite Index. In the Canadian market, the weakness in May was seen more in the Healthcare (i.e. cannabis stocks) and Consumer Discretionary sectors. The commentary around autos mentioned above helps to explain weakness in the latter. Holdings of the Fund are represented outside most of these recently volatile areas.

The Canadian equity market again had difficulty as it underperformed the U.S. equity market for the first half of the year on a relative basis, but the strong absolute result is interesting when considering the three best performing sectors (Information Technology, Healthcare, Utilities) are small weights in the Index. Meanwhile, the large-weighted sectors (Financials, Energy, Materials) had returns much lower than the leading sectors year-to-date.

The S&P/TSX Composite Total Return Index for the last six months returned 16.2%. The best performing sectors were Information Technology (up 44.0%), Healthcare (up 35.2%) and Utilities (up 22.4%). The worst performing sectors for the period were Communication Services (up 9.7%), Energy (up 12.3%) and Consumer Staples (up 12.5%).

The Canadian dollar appreciated against the U.S. dollar during the period by 4.0% and has risen against the U.S. dollar by 0.3% over the trailing 12-months.

Outlook

With the outlook for low rates to continue and potentially go even lower in the foreseeable future there is increased demand from investors for yield and income. Accordingly, we expect this to translate into an increase in demand for dividend paying equities which should have a positive impact on our area of investment and on the market value of the Fund. Given this economic backdrop and the low volatility of Bloom Select Income Fund (the weighted beta of the individual stocks of the Fund is 0.79) we remain cautiously optimistic going into the second half of the year.

RESULTS OF OPERATIONS

Distributions

During the six months ended June 30, 2019 distributions totaled $0.25 per unit. The 2019 distribution reflects a monthly rate per unit of $0.041666, in accordance with the targeted distribution rate of 5% per annum on the subscription price of $10 per unit as disclosed in the Fund's Prospectus. Since inception on April 20, 2012 the Fund has paid total cash and reinvested distributions of $3.598602 per unit.

Increase in Net Assets from Operations

The Fund's net investment income was $2.4 million ($1.43 per unit) for the six months ended June 30, 2019, arising from average portfolio investments during the period of $14.1 million. The income was comprised primarily of $3.2 million net change in unrealized appreciation during the period and $0.3 million in dividend and distribution income, offset by $1.1 million in net realized losses on sales of investments during the period.

Expenses were $0.2 million ($0.12 per unit) for the period, the major components being management fees of $108,506 and other administrative expenses of $47,212.

Net Asset Value

The net asset value per unit of the Fund was $9.61 at June 30, 2019, up by 12.4% from $8.55 at December 31, 2018. The aggregate net asset value of the Fund increased from $14.5 million at December 31, 2018 to $16.3 million as at June 30, 2019, primarily due to net investment income of $2.4 million, cash distributions to unitholders of $0.4 million (net of reinvested distributions) and expenses of $0.2 million.

Liquidity

To provide liquidity for unitholders, units of the Fund are listed on the TSX under the symbol BLB.UN.

The Fund received approval from the TSX on May 18, 2018 for a normal course issuer bid program from May 24, 2018 to May 23, 2019, allowing the Fund to purchase for cancellation up to 179,729 units on the TSX if they trade below net asset value per unit. No units were purchased and cancelled by the Fund under this normal course issuer bid in the six months ended June 30, 2019.

Investment Portfolio

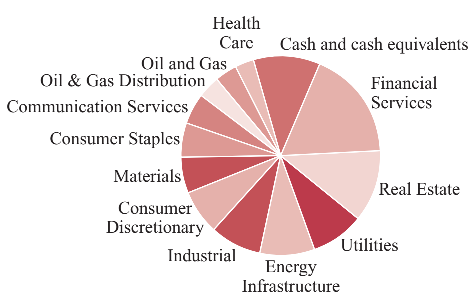
The Fund has established a portfolio comprised primarily of Canadian equities, income trusts and real estate investment trusts (REITs), each of which was selected to achieve the investment objectives of the Fund. The investment objectives of the Fund include the requirement that the Fund only invests in stocks with a Beta (measurement of volatility) of less than 1.0 at the time of purchase, which affects the selection of investments.

Over the six months to June 30, 2019 the Fund's investment in the Energy Infrastructure sector has increased from 5.5% of the portfolio (equities, cash and cash equivalents) to 8.7%, due to the purchase of a position in Enbridge Inc. Materials sector holdings have increased from 4.7% of the portfolio to 6.1%, mainly due to the remarkable increase in value of the Fund's holding in Noranda Income Fund, which has returned over 100% since December 31, 2018. The Consumer Discretionary sector has decreased from 9.4% to 7.1% of the portfolio, due to the sale of the Fund's position in Corus Entertainment Inc; similarly, the Oil and Gas sector has decreased from 5.0% to 3.5% due to the sale of the Fund's position in Bonterra Energy Corp. The Fund trimmed its holdings in Bank of Nova Scotia and Manulife Financial Corp. which reduced the Financial Services sector from 20.0% to 18.0% of the portfolio.

The Fund had net unrealized appreciation of $2.1 million in its portfolio as at June 30, 2019, with significant unrealized gains of $1.2 million in the Real Estate sector and $1.7 million in the Consumer Staples, Financial Services and Utilities sectors combined. There were unrealized losses of $0.6 and $0.5 million in the Materials and Consumer Discretionary sectors respectively.

The Fund also had net realized losses of $1.1 million primarily from the sale of the Fund's positions in Bonterra Energy Corp. and Corus Entertainment Inc., offset by gains on the sale of holdings in Allied Properties REIT, Bank of Nova Scotia and Northland Power Inc.

Portfolio Sectors



Sector		Value (thousands)	% of Total
Financial Services	$	2,943	18.0%
Real Estate		1,881	11.5%
Utilities		1,446	8.8%
Energy Infrastructure		1,429	8.7%
Industrial		1,377	8.4%
Consumer Discretionary		1,170	7.1%
Materials		1,005	6.1%
Consumer Staples		877	5.4%
Communication Services		828	5.1%
Oil & Gas Distribution		594	3.6%
Oil and Gas		575	3.5%
Health Care		503	3.1%
Cash and cash equivalents		1,753	10.7%
Total	**$**	**16,382**	**100.0%**

RECENT DEVELOPMENTS

There were no recent developments to report.

RELATED PARTY TRANSACTIONS

Related party transactions consist of administrative and investment management services provided by the Manager pursuant to the Fund's Declaration of Trust, and Fund expenses paid by the Manager and recharged to the Fund.

Administration and Investment Management Fees

Pursuant to the Fund's Declaration of Trust, the Manager provides investment management and administrative services to the Fund, for which it is paid an annual management fee of 1.25% per annum of the net asset value of the Fund, calculated weekly and payable monthly in arrears, plus applicable taxes.

The management fee is intended to compensate the Manager for providing portfolio advisory and certain administrative services to the Fund. During the six months ended June 30, 2019, management fees amounted to $108,506.

Services received by the Fund in consideration of the management fee, as an approximate percentage of the management fee, comprise portfolio advisory services (86%) and administrative services (14%). Administrative services include: appointment and monitoring of service providers; administration related to the payment of fund expenses and the deposit of fund receipts; administrative services provided to the Independent Review Committee ("IRC"); review and filing of tax returns; preparation, dissemination and filing of annual and interim reports; maintenance of proxy voting records and the voting of proxies; preparation of quarterly portfolio summaries; administration of the Fund's normal course issuer bid; regulatory reporting; and maintenance of the information on the Fund's website.

Other expenses recharged to the Fund

The Fund pays for all other ordinary expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the IRC, expenses related to compliance with National Instrument ("NI") 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses that the Fund may incur and all amounts paid on account of indebtedness.

On an ongoing basis the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain of these expenses of the Fund. For the six months ended June 30, 2019 the Fund expensed IRC fees of $14,049, unitholder information costs of $9,918 and premiums for insurance coverage for members of the IRC of $209, which were paid and recharged by the Manager.

INDEPENDENT REVIEW COMMITTEE

Prior to the Fund's launch, the IRC for the Fund was established pursuant to NI 81-107 and became operational. The IRC provides independent oversight regarding actual and perceived conflicts of interest involving the Fund and performs all other functions required of an independent review committee under NI 81-107. Costs and expenses, including the remuneration of IRC members, the costs of legal and other advisors to, and legal and other services for, IRC members, and insurance costs are chargeable to the Fund. As at June 30, 2019 the IRC consisted of three members, all of whom are independent of the Manager.

The Manager has received two standing instructions from the IRC with respect to related party transactions:

Allocation of Fund Expenses and Charging Expenses of Related Entities to the Funds

The standing instruction requires that the Manager follow its policy regarding the charging of expenses of related parties to the Fund, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager reports any instances of reliance on the standing instruction to the IRC and the IRC reviews the transactions to confirm compliance with the standing instruction. The Manager relies on the standing instruction on an ongoing basis in charging to the Fund expenses which are payable by the Fund as per the Fund's Declaration of Trust and Annual Information Form, but which have been paid by the Manager. These expense charges are measured on an accrual basis at the monetary value of the expenses incurred.

The Decision to Re-open a Fund

The standing instruction requires that the Manager follow its policy and procedures concerning fund re-openings, which will, in the IRC's opinion, result in a fair and reasonable result for the Fund. The Manager will report any instances of reliance on the standing instruction to the IRC, but has not yet relied on this standing instruction.

PAST PERFORMANCE

The following chart and table show the past performance of the Fund. Past performance does not necessarily indicate how the Fund will perform in the future. The information shown is based on net asset value per unit and assumes that distributions made by the Fund in the period were reinvested at net asset value per unit in additional units of the Fund.

All past performance for periods prior to the Fund's merger with Bloom Income & Growth Canadian Fund on October 23, 2015 are for the Fund only.

Annual Compound Returns

The following table shows the Fund's annual compound return for the one, three and five year periods ended June 30, 2019 and the period since inception, compared with the S&P/TSX Composite Total Return Index ("TR Index") and the S&P/TSX Composite High Dividend Total Return Index ("HD Index"). The TR Index tracks the performance, on a market weight basis and a total return basis, of a broad index of large-capitalization issuers listed on the TSX, including common stocks, REITs and income trust units, and is an appropriate benchmark as the Fund invests in such common stocks, REITs and income trusts. The HD Index is a more narrowly-based strategy index consisting of 50 to 75 stocks selected from the S&P/TSX Composite Index focusing on divided income, and is included as it reflects the Fund's strategy of investing in dividend paying stocks.

Since the Fund is actively managed, the sector weightings differ from those of the TR Index and the HD Index (together, the "Indices"). The Fund's portfolio contains predominantly high dividend paying securities, whereas the TR Index does not necessarily focus on this type of investment. Also, the investment objectives of the Fund dictate that the Fund invest only in stocks displaying a low volatility at the time of purchase, and therefore the Fund is unable to purchase a significant number of stocks included in the Indices. As well, the Fund may invest in issuers that are not included in the Indices Further, the Indices are calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses. For these reasons it is not expected that the Fund's performance will mirror those of the Indices.

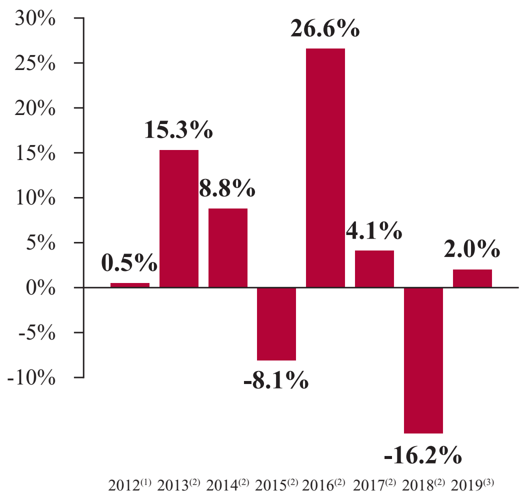
	One year	Three years	Five years	Since inception[(1)]
Bloom Select Income Fund (net of fees and expenses)	2.0%	4.1%	2.6%	5.6%
S&P/TSX Composite Total Return Index	3.9%	8.4%	4.7%	7.4%
S&P/TSX Composite High Dividend Total Return Index	5.3%	7.6%	2.7%	6.4%

(1) Period from April 20, 2012 (commencement of operations) to June 30, 2019

During the one, three and five year periods ended June 30, 2019 and since inception, the Fund has underperformed relative to the Indices, after taking into account the expenses of the Fund. In addition to the effect of the deduction of management fees and expenses inherent in the Fund's performance figures, this reflects differences in individual portfolio selections between the Fund's portfolio and the Indices within each of the sectors, which result in different average sector returns. It may also reflect differences in average sector weightings between the Fund's portfolio and the Indices over these periods.

Year-by-Year Returns Net of Fees

The bar chart shows the Fund's performance for each fiscal period since inception. It shows, in percentage terms, how an investment held on the first day of the fiscal period would have changed by the last day of the fiscal period.



(1) Period from April 20, 2012 (commencement of operations) to December 31, 2012
(2) Year from January 1 to December 31 of the year indicated
(3) Six months from January 1 to June 30, 2019

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the fiscal periods indicated. *The information in the following tables is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing net assets per unit, because the increase in net assets from operations is based on weighted average units outstanding during the period, and all other numbers are based on actual units outstanding at the relevant point in time.*

All financial highlights for periods prior to the Fund's merger with Bloom Income & Growth Canadian Fund on October 23, 2015 are for the Fund only.

Net Assets Per Unit[(1)]

	Six months ended June 30, 2019	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016	Year ended December 31, 2015
Net assets per unit, beginning of period[(1)(2)]	$ 8.55	$ 10.74	$ 10.81	$ 8.98	$ 10.28
Increase from operations:[(2)]					
Total revenue	0.19	0.41	0.42	0.43	0.46
Total expenses	(0.12)	(0.24)	(0.23)	(0.22)	(0.25)
Net realized gains (losses)	(0.62)	0.70	0.40	1.19	0.48
Net unrealized gains (losses)	1.86	(2.43)	(0.18)	0.89	(1.60)
Total increase in net assets from operations[(1)]	$ 1.31	$ (1.61)	$ 0.41	$ 2.29	$ (0.91)
Distributions to unitholders[(2)(3)]					
From net investment income	–	(0.12)	(0.03)	–	–
From return of capital	(0.25)	(0.38)	(0.47)	(0.50)	(0.50)
Total distributions to unitholders	$ (0.25)	$ (0.50)	$ (0.50)	$ (0.50)	$ (0.50)
Net assets per unit, end of period[(1)(2)]	$ 9.61	$ 8.55	$ 10.74	$ 10.81	$ 8.98

(1) This information is derived from the Fund's audited annual financial statements. The Fund adopted International Financial Reporting Standards (IFRS) on January 1, 2014 and has applied IFRS to its comparative financial statements. Under IFRS, the net assets per unit present in the financial statements is generally the same as the net asset value per unit calculated for weekly net asset value purposes.
(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding at the relevant time. The increase in net assets from operations per unit is based on the weighted average number of units outstanding over the fiscal period.
(3) $34,464 (2018: $72,515; 2017: $94,184; 2016: $112,769; 2015: $134,344) of distributions were reinvested in units under the Fund's distribution reinvestment plan (DRIP). The remainder of the distributions were paid in cash.

Ratios and Supplemental Data

For the fiscal period ended	June 30, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Net asset value (000s)(1)	$ 16,327	$ 14,496	$ 21,537	$ 25,807	$ 28,343
Number of units outstanding(1)	1,698,454	1,694,719	2,004,625	2,386,883	3,155,539
Management expense ratio ("MER")(2)	2.60%	2.33%	2.08%	2.16%	2.46%
Trading expense ratio(3)	0.04%	0.04%	0.05%	0.09%	0.09%
Portfolio turnover rate(4)	4.54%	6.94%	11.72%	15.07%	14.18%
Net Asset Value per Unit(1)	$ 9.61	$ 8.55	$ 10.74	$ 10.81	$ 8.98
Closing market price(1)	$ 9.39	$ 8.39	$ 10.40	$ 10.20	$ 8.35

(1) As at the period end date shown

(2) MER is based on the requirements of NI 81-106 and includes the total expenses (excluding commissions and other portfolio transaction costs) of the Fund for the period. Total expenses are expressed as an annualized percentage of the average net asset value during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of the average net asset value of the Fund during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Manager manages the Fund's 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 the 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 the Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, excluding cash and short-term investments maturing in less than one year, by the average market value of investments during the period.

Management Expense Ratio

The MER of the Fund was 2.60% for the six months ended June 30, 2019, up from an MER of 2.33% in the year ended December 31, 2018. The increase is primarily due to the lower average net asset value in the six months ended June 30, 2019 compared to the year ended December 31, 2018, paired with certain costs which do not reduce with net asset value.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2019

Total Net Assets (including Cash, Short Term Investments and Other Net Assets)	$16,326,552

Portfolio Composition	**% of Portfolio**	**% of Total Net Assets**
Financial Services	18.0%	18.0%
Real Estate	11.5%	11.5%
Utilities	8.8%	8.9%
Energy Infrastructure	8.7%	8.7%
Industrial	8.4%	8.4%
Consumer Discretionary	7.1%	7.2%
Materials	6.1%	6.2%
Consumer Staples	5.4%	5.4%
Communication Services	5.1%	5.1%
Oil & Gas Distribution	3.6%	3.6%
Oil and Gas	3.5%	3.5%
Health Care	3.1%	3.1%
Cash and cash equivalents	10.7%	10.7%
Total Investment Portfolio	100.0%	100.3%
Other Non-Debt Net Assets (Liabilities)		(0.3%)
Total Net Assets		100.0%

Top 25 Holdings*	**% of Portfolio**	**% of Total Net Assets**
Cash and cash equivalents	10.7%	10.7%
Altus Group Limited	6.7%	6.7%
Premium Brands Holdings Corporation	5.4%	5.4%
Manulife Financial Corporation	5.2%	5.2%
Shaw Communications Inc. Class ‘B’	5.1%	5.1%
Northland Power Inc.	5.0%	5.0%
Allied Properties REIT	4.8%	4.8%
Bank of Nova Scotia	4.7%	4.7%
TD Bank Group	4.6%	4.6%
Superior Plus Corp.	4.5%	4.5%
Noranda Income Fund Class ‘A’	4.3%	4.4%
Intertape Polymer Group Inc.	3.9%	3.9%
Boralex Inc.	3.8%	3.9%
Keyera Corp.	3.8%	3.8%
Parkland Fuel Corporation	3.6%	3.6%
Sun Life Financial Inc.	3.5%	3.5%
Vermilion Energy Inc.	3.5%	3.5%
Extendicare Inc.	3.1%	3.1%
Transcontinental Inc. Class ‘A’	3.0%	3.0%
Cineplex Inc.	2.8%	2.8%
Gibson Energy Inc.	2.5%	2.5%
Enbridge Inc.	2.4%	2.4%
Chemtrade Logistics Income Fund	1.8%	1.8%
Park Lawn Corporation	1.3%	1.3%

*The investment portfolio may change due to ongoing portfolio transactions of the investment fund. Quarterly updates are available on the Fund’s website at **www.bloomfunds.ca** within 60 days of each quarter end.*

NOTICE

The accompanying unaudited financial statements of Bloom Select Income Fund (the "Fund") have been prepared by Bloom Investment Counsel, Inc. (the "Manager" of the Fund) and approved by the Board of Directors of the Manager.

The statements have not been reviewed by the external auditors of the Fund.

Signed

M. Paul Bloom
President and Chief Executive Officer
Bloom Investment Counsel, Inc.

Signed

Fiona E. Mitra
Chief Financial Officer
Bloom Investment Counsel, Inc.

July 31, 2019

STATEMENTS OF FINANCIAL POSITION (unaudited)

As at		**June 30, 2019**		December 31, 2018
Assets				
Current assets				
Investments at fair value	**$**	**14,629,509**	$	13,003,194
Cash and cash equivalents (note 5)		**1,752,631**		1,571,277
Dividends and distributions receivable		**59,560**		62,852
Prepaid expenses and other assets		**19,114**		14,234
Total assets		**16,460,814**		14,651,557
Liabilities				
Current liabilities				
Distributions payable to unitholders		**70,768**		70,626
Accrued liabilities (note 10)		**63,494**		84,922
Total liabilities		**134,262**		155,548
Unitholders' equity (note 6)				
Unitholders' capital		**11,344,562**		11,670,689
Retained earnings		**4,981,990**		2,825,320
Net assets representing unitholders' equity	**$**	**16,326,552**	$	14,496,009
Net assets per unit	**$**	**9.61**	$	8.55

The accompanying notes are an integral part of these financial statements

STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

For the six months ended		**June 30, 2019**		June 30, 2018
Income				
Net gain (loss) on investments				
Dividend and distribution income	**$**	**316,414**	$	411,971
Interest for distribution purposes		**12,073**		4,513
Net realized gain (loss) on sale of investments		**(1,055,467)**		140,427
Net change in unrealized appreciation or depreciation on investments		**3,154,540**		(1,446,681)
Total net gain (loss) on investments		**2,427,560**		(889,770)
Other income				
Securities lending income (note 12)		**1,193**		3,435
Total other income		**1,193**		3,435
Total income (loss)		**2,428,753**		(886,335)
Expenses (Note 9)				
Management fees (note 10)		**108,506**		137,814
Independent Review Committee fees (note 10)		**14,049**		17,143
Unitholder reporting costs		**13,452**		15,488
Audit fees		**14,347**		14,377
Custody fees		**5,590**		9,207
Legal fees		**2,193**		3,256
Transaction costs (note 11)		**3,100**		5,867
Other administrative expenses		**47,212**		39,577
Total expenses		**208,449**		242,729
Increase (decrease) in net assets from operations	**$**	**2,220,304**	$	(1,129,064)
Weighted average units outstanding during the period		**1,696,636**		1,990,449
Increase (decrease) in net assets from operations per unit (note 3(i))	**$**	**1.31**	$	(0.57)

STATEMENTS OF CHANGES IN NET ASSETS (unaudited)

For the six months ended June 30, 2019 and 2018	**Unitholders' capital**	**Retained earnings**	**Total**
Balance at January 1, 2018	$ 14,554,488	$ 6,982,944	$ 21,537,432
Decrease in net assets from operations	–	(1,129,064)	(1,129,064)
Distributions to unitholders	(496,267)	–	(496,267)
Reinvestment of distributions	36,649	–	36,649
Repurchase and cancellation of units	(266,973)	(103,052)	(370,025)
Balance at June 30, 2018	$ 13,827,897	$ 5,750,828	$ 19,578,725
Balance at January 1, 2019	**$ 11,670,689**	**$ 2,825,320**	**$ 14,496,009**
Increase in net assets from operations	**–**	**2,220,304**	**2,220,304**
Distributions to unitholders	**(424,225)**	**–**	**(424,225)**
Reinvestment of distributions	**34,464**	**–**	**34,464**
Balance at June 30, 2019	**$ 11,280,928**	**$ 5,045,624**	**$ 16,326,552**

The accompanying notes are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

For the six months ended		**June 30, 2019**		June 30, 2018
Cash flows from (used in) operating activities				
Increase (decrease) in net assets from operations	**$**	**2,220,304**	$	(1,129,064)
Adjustment for:				
Net realized loss (gain) on sale of investments		**1,055,467**		(140,427)
Net change in unrealized appreciation or depreciation on investments		**(3,154,540)**		1,446,681
Decrease in dividends and distributions receivable		**3,292**		4,167
Decrease (increase) in prepaid expenses and other assets		**(4,880)**		3,714
(Increase) in accrued liabilities		**(21,428)**		(17,069)
Operating cash flows:				
Purchases of investments		**(638,896)**		(1,044,745)
Proceeds from sale of investments		**1,097,281**		2,260,366
Return of capital received		**14,373**		14,287
Capital gains distributions received		**–**		553
Net cash from operating activities		**570,973**		1,398,463
Cash flows used in financing activities				
Repurchase of units for cancellation		**–**		(370,025)
Distributions paid to holders of redeemable units, net of reinvestments		**(389,619)**		(461,038)
Net cash used in financing activities		**(389,619)**		(831,063)
Net increase in cash and cash equivalents		**181,354**		567,400
Cash and cash equivalents at beginning of period (note 5)		**1,571,277**		439,509
Cash and cash equivalents at end of period (note 5)	**$**	**1,752,631**		1,006,909
Interest received	**$**	**10,966**	$	4,411
Dividends and distributions received	**$**	**319,706**	$	416,138

The accompanying notes are an integral part of these financial statements

SCHEDULE OF INVESTMENT PORTFOLIO (unaudited)

As at June 30, 2019 No. of Units/ Shares		Cost	Fair Value
	Canadian Equities		
	Communication Services		
31,000	Shaw Communications Inc. Class 'B'	$ 775,456	$ 828,320
		775,456	**828,320**
	Consumer Discretionary		
20,000	Cineplex Inc.	848,397	459,800
7,400	Park Lawn Corporation	184,301	212,898
34,100	Transcontinental Inc. Class 'A'	609,758	497,519
		1,642,456	**1,170,217**
	Consumer Staples		
9,800	Premium Brands Holdings Corporation	171,368	877,198
		171,368	**877,198**
	Energy Infrastructure		
8,300	Enbridge Inc.	380,140	392,590
17,700	Gibson Energy Inc.	345,722	413,295
18,500	Keyera Corp.	547,587	623,450
		1,273,449	**1,429,335**
	Financial Services		
11,000	Bank of Nova Scotia	622,494	773,740
35,500	Manulife Financial Corporation	889,104	844,900
10,600	Sun Life Financial Inc.	415,149	574,838
9,800	TD Bank Group	420,480	749,896
		2,347,227	**2,943,374**
	Health Care		
59,900	Extendicare Inc.	507,441	502,561
		507,441	**502,561**
	Industrial		
34,500	Intertape Polymer Group Inc.	658,244	635,145
55,500	Superior Plus Corp.	505,555	741,480
		1,163,799	**1,376,625**
	Materials		
31,300	Chemtrade Logistics Income Fund	529,673	293,281
270,800	Noranda Income Fund Class 'A'	1,096,822	712,204
		1,626,495	**1,005,485**
	Oil and Gas		
20,200	Vermilion Energy Inc.	924,497	574,690
		924,497	**574,690**
	Oil & Gas Distribution		
14,300	Parkland Fuel Corporation	370,672	594,165
		370,672	**594,165**
	Real Estate		
16,700	Allied Properties REIT	459,572	791,079
34,000	Altus Group Limited	256,321	1,090,380
		715,893	**1,881,459**
	Utilities		
32,000	Boralex Inc.	471,354	630,080
32,000	Northland Power Inc.	535,355	816,000
		1,006,709	**1,446,080**
	Total Canadian equities	**$ 12,525,462**	**$ 14,629,509**
	Embedded broker commissions	**(15,801)**	
	Total investments	**$ 12,509,661**	**$ 14,629,509**

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2019

1. GENERAL INFORMATION

Bloom Select Income Fund (the "Fund") is a closed-end investment trust established under the laws of the province of Ontario pursuant to a declaration of trust dated March 22, 2012. The declaration of trust was amended and restated as of October 23, 2015 at the time of the Fund's merger with Bloom Income & Growth Canadian Fund. The Fund is listed on the Toronto Stock Exchange ("TSX") under the symbol BLB.UN and commenced operations on April 20, 2012. The address of the Fund's principal place of business is 150 York Street, Toronto, Ontario. The Fund invests in equity securities of Canadian companies. The financial statements are presented in Canadian dollars.

The Fund's investment objectives are to provide unitholders with an investment in an actively managed portfolio comprised primarily of Canadian equity securities that exhibit low volatility at the time of investment, monthly cash distributions that have a large component of Canadian eligible dividends, and the opportunity for capital appreciation.

The manager and trustee of the Fund is Bloom Investment Counsel, Inc. (the "Manager"). CIBC Mellon Trust Company is the custodian of the Fund and CIBC Mellon Global Securities Services Company is the administrator of the Fund.

These financial statements were authorized for issue by the Manager on July 31, 2019.

2. BASIS OF PRESENTATION

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Statements.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit and loss. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's significant accounting policies. Actual results could differ from those estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Financial instruments

The Fund's financial instruments include, where applicable, investments, cash and cash equivalents, dividends and distributions receivable, receivable for investments sold, payable for investments purchased, distributions payable to unitholders, accrued liabilities, and redemptions payable.

The Fund recognizes, classifies and measures financial instruments in accordance with IFRS 9.

The Fund recognizes financial instruments at fair value, plus transaction costs in the case of financial instruments measured at amortized cost, upon initial recognition. Purchases and sales of financial instruments are recognized on their respective trade dates.

The Fund's investments are measured at FVTPL. All other financial instruments are measured at amortized cost (which is the amount to be received or paid, discounted where appropriate at the contract's effective interest rate). Amortization and changes in fair value are recognized in the Statements of Comprehensive Income.

b) 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 traded in active markets (which includes the Fund's investments) is based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price for investment valuation where that price falls between the latest bid and ask prices. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

The Fund classifies fair value measurements within a hierarchy as described in note 13(h). The Fund recognizes transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

c) Impairment of financial assets at amortized cost
At each reporting date, the Fund assesses whether there is objective evidence that a financial asset at amortized cost is impaired. If such evidence exists, the Fund recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

d) Derecognition of financial assets and liabilities
The Fund derecognizes 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 are transferred, or in which these risks and rewards are neither transferred nor retained but the Fund does not retain control of the asset. On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is included in the Statements of Comprehensive Income. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Fund enters into securities lending transactions in which it lends investments to counterparties, but since the Fund retains all of the risks and rewards of ownership, the investments are not derecognized. Collateral pledged by the counterparty to a securities lending transactions is not recognized as the Fund does not accept the risks and rewards of ownership of that collateral.

e) Offsetting
Financial assets and liabilities are offset and the net amount presented in the Statements of Financial Position only when the Fund has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, e.g. for gains and losses arising from a group of similar transactions, such as realized gains and losses on investments.

f) Cash and cash equivalents
Cash and cash equivalents consist of deposits with financial institutions and short-term debt instruments with maturities of less than three months from the date of acquisition that are highly liquid, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

g) Investment transactions and income recognition
Investment transactions are recorded on the trade date. Dividend and distribution income are recognized when the right to receive payment is established, which is generally on the ex-dividend or ex-distribution date. Interest for distribution purposes shown in the Statements of Comprehensive Income represents coupon interest received by the Fund and is recognized on a time-proportionate basis. Interest income includes interest from cash and cash equivalents. Realized and unrealized gains and losses from investment transactions are calculated on an average cost basis.

h) Foreign exchange
The functional and presentation currency of the Fund is the Canadian dollar. Amounts received by the Fund on an offering of its units and amounts payable on redemption are received or paid in Canadian dollars. Any currency other than the Canadian dollar represents foreign currency to the Fund. Purchases and sales of investments in foreign currencies are translated into the Fund's functional currency using the exchange rate prevailing on the trade date. Income on foreign investments is translated at the prevailing exchange rate on the transaction date. The quoted fair value of investments and other assets and liabilities denominated in foreign currencies is translated at the period-end exchange rate.

i) Increase (decrease) in net assets from operations per unit
Increase (decrease) in net assets from operations per unit represents the increase (decrease) in net assets from operations for the period divided by the weighted average number of units outstanding during the period.

NOTES TO FINANCIAL STATEMENTS (unaudited)

June 30, 2019 (continued)

j) Distributions

Income and net realized capital gains (reduced by loss carryforwards, if any) earned by the Fund are distributed to participants through a regular monthly distribution. Any excess income and net realized capital gains not so distributed during the year are distributed in December of each year to unitholders. Any excess of regular monthly distributions over actual income and net realized capital gains is characterized as a return of capital. Any distributable net realized capital gains in a year may be allocated for tax purposes to redeeming unitholders in that year, as permitted by the Fund's declaration of trust.

k) Transaction costs on investment transactions

Transaction costs on purchases and sales of investments are expensed and are included in 'Transaction costs' in the Statements of Comprehensive Income. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

l) Classification of redeemable units

The Manager is required by IAS 32, *Financial Instruments: Presentation* ("IAS 32") to assess whether the redeemable units represent a liability of the Fund or equity of the Fund. The Fund does not have any obligation, other than on redemption of the units, to deliver cash or other financial instruments to the unitholders, since the Fund may pay its regular monthly distributions and any distributions it is required by its Declaration of Trust to make sure that it does not become liable for income tax, in units rather than cash. Total expected cash flows attributable to the units over their lives are based substantially on net income, the change in net assets or the change in the fair value of assets over that time. As a result of these facts, the redeemable units meet the criteria of IAS 32 to be classified as equity.

m) Net assets per unit

The net assets per unit is calculated by dividing the net assets representing unitholders' equity by the total number of units outstanding at the end of the period.

4. TAXATION

The Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) and accordingly is subject to income tax on its income, including net realized capital gains, which is not paid or payable to the Fund's unitholders, less any income that can be retained by the use of tax credits available to the Fund. The Fund's taxation year end is December 31. No provision for income taxes has been recorded in the accompanying financial statements as the Fund has determined that it is in substance not taxable since all net income and net realized capital gains of the Fund for the year are distributed to the unitholders to the extent necessary to reduce income taxes payable to nil.

Since the Fund does not record income taxes, the tax assets or liabilities related to capital and non-capital losses and other temporary differences have not been reflected in the Statements of Financial Position as a deferred income tax asset or liabilities.

Non-capital loss carry forwards may be applied against future years' taxable income, and may be carried forward for 20 years from the year in which they are realized. As at June 30, 2019, the Fund had no non-capital losses carried forward (December 31, 2018 – nil). Capital losses incurred by the Fund may be carried forward indefinitely to apply against capital gains realized in future years. As at June 30, 2019, the Fund had $884,667 capital losses available for carryforward (December 31, 2018 – $884,667).

5. CASH AND CASH EQUIVALENTS

The Fund's cash and cash equivalents as at June 30, 2019 and December 31, 2018 comprise the following:

	June 30, 2019	December 31, 2018
Cash	**456,092**	574,989
Cash equivalents	**1,296,539**	996,288
	1,752,631	1,571,277

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

Cash equivalents at June 30, 2019 comprised:

Type	Issuer	DBRS, credit rating of issuer	Par Value $	Maturity date	Coupon	Fair value $
Banker's acceptance	TD Bank Group	AA / R-1 / Stable	1,300,000	August 23, 2019	1.84%	1,296,539

6. UNITHOLDERS' EQUITY

The Fund is authorized to issue an unlimited number of a single class of transferable and redeemable units each of which represents an equal, undivided interest in the Net Asset Value ("NAV") of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund.

Units may be surrendered for redemption annually at the option of the unitholder during the period from September 15 until 5.00 p.m. (Toronto time) on the last business day in September, subject to the Fund's right to suspend redemptions in certain circumstances. Units properly surrendered for redemption will be redeemed on the second last business day in October of each year (the Annual Redemption Date) and the redeeming unitholder will receive a redemption price per unit equal to 100% of the NAV per unit as determined on the Annual Redemption Date, less any costs and expenses incurred by the Fund in order to fund such redemption. For the purpose of calculating the NAV used in connection with the redemption of units, the value of the securities held by the Fund will be equal to the weighted average trading price of such securities over the last three business days preceding the Annual Redemption Date.

If a significant number of units are redeemed, the trading liquidity of the units could be significantly reduced. In addition, the expenses of the Fund would be spread among fewer units resulting in a potentially lower distribution per unit. The Manager has the ability to terminate the Fund if, in its opinion, it would be in the best interests of the unitholders to do so. The Manager may also suspend the redemption of units in certain circumstances.

The 2018 annual redemption took place on October 30, 2018 and consisted of 272,777 units for redemption proceeds of $2,603,738 payable on November 20, 2018.

The Fund has received approval from the TSX for normal course issuer bid ("NCIB") programs between specified dates, allowing the Fund to purchase units for cancellation on the TSX if they trade below NAV per unit. The maximum number of units which can be purchased and cancelled is specified for each NCIB. Units purchased and cancelled by the Fund for the six months ended June 30, 2019 and 2018 were as follows:

Approval date	Start date	End date	Maximum units	Units purchased and cancelled 2019	Units purchased and cancelled 2018
May 18, 2017	May 24, 2017	May 23, 2018	217,623	–	27,400
May 18, 2018	May 24, 2018	May 23, 2019	179,729	–	9,900
Total				–	37,300

Unit transactions of the Fund for the six months ended June 30, 2019 and 2018 were as follows:

	2019	2018
Units outstanding at beginning of period	**1,694,719**	2,004,625
Reinvestment of distributions	**3,735**	3,604
Repurchase and cancellation of units	**–**	(37,300)
Units outstanding at end of period	**1,698,454**	1,970,929

The closing market price of the Fund's units on June 30, 2019 was $9.39 (December 31, 2018: $8.39).

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

7. CAPITAL MANAGEMENT

Units issued and outstanding are considered to be the capital of the Fund. The Fund's capital therefore comprises net assets of $16,326,552 (December 31, 2018 – $14,496,009). The Fund's objectives in managing its capital are to provide unitholders with monthly cash distributions and the opportunity to participate in gains in the value of the investment portfolio. The Fund manages its capital taking into consideration the risk characteristics of its holdings. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to unitholders, return capital to unitholders, increase or decrease its level of borrowing if applicable, or purchase units for cancellation.

8. DISTRIBUTIONS TO UNITHOLDERS

Distributions, as declared on the Fund's behalf by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month, payable by the fifteenth business day of the following month. For the six months ended, June 30, 2019, the Fund declared total distributions of $0.25 (2018 – $0.25) per unit, which amounted to $424,225 (2018 – $496,267). Under the Fund's distribution reinvestment plan ("DRIP"), unitholders may elect to reinvest monthly distributions in additional units of the Fund which are issued from treasury. In the six months ended June 30, 2019, distributions of $34,464 were reinvested in 3,735 units of the Fund which were issued from treasury (six months ended June 30, 2018 – distributions of $36,649 were reinvested in 3,604 units of the Fund which were issued from treasury).

In conjunction with the annual redemption described in note 6, the Fund made distributions of capital gains to redeeming unitholders in the amount of $616,290.

9. EXPENSES

Management fees and other reasonable expenses incurred in the operations of the Fund are charged as expenses in the Statements of Comprehensive Income of the Fund, and include expenses paid by the Manager on behalf of the Fund and subsequently recharged to the Fund as described in note 10.

The Fund pays for all other expenses incurred in connection with the operation and administration of the Fund, including: all costs of portfolio transactions, fees payable to third party services providers, custodial fees, legal, accounting, audit and valuation fees and expenses, expenses of the members of the Independent Review Committee ("IRC"), expenses related to compliance with National Instrument 81-107, fees and expenses relating to the voting of proxies by a third party, costs of reporting to unitholders, registrar, transfer and distribution agency costs, printing and mailing costs, listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements, taxes, brokerage commissions, costs and expenses relating to the issue of units of the Fund, costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies and all amounts paid on account of indebtedness.

10. RELATED PARTY TRANSACTIONS

In accordance with the Declaration of Trust, the Manager is entitled to an annual management fee of 1.25% per annum of the NAV of the Fund, calculated weekly and paid monthly in arrears.

For the six months ended June 30, 2019 the Fund expensed management fees of $108,506 (2018 – $137,814). As at June 30, 2019, the Fund had management fees payable of $18,512 (December 31, 2018 – $16,647) included in accrued liabilities.

On an ongoing basis, the Manager pays on behalf of the Fund, and subsequently recharges to the Fund, certain expenses of the Fund. For the six months ended June 30, 2019 the Fund expensed IRC fees of $14,049 (2018 – $17,143) and legal fees of $nil (2018 – $211), as well as unitholder information costs of $9,918 (2018 – $10,753) and premiums for insurance coverage for members of the IRC of $209 (2018 – $335) (both included in 'other administrative expenses') which were paid and recharged by the Manager. As at June 30, 2019 the Fund owed the Manager $1,194 for recharged expenses (December 31, 2018 – $2,557) included in accrued liabilities.

Units held by the Manager and its affiliates represent 11.0% of the units outstanding at June 30, 2019 (December 31, 2018 – 11.1%).

11. BROKERAGE COMMISSIONS ON SECURITIES TRANSACTIONS

During the six months ended June 30, 2019 the Fund paid $3,100 (2018 – $5,867) in brokerage commissions and other transaction costs for portfolio transactions. There are no soft dollar commissions.

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

12. SECURITIES LENDING

The Fund has entered into a securities lending program with CIBC Mellon Global Securities Services Company, (as administrator), which has a DBRS credit rating of AA / R-1 / Positive and a Moody's credit rating of A1 / P-1 / Stable, and BNY Mellon (as lending agent), which has DBRS credit rating of AA / R-1 / Stable and a Moody's credit rating of Aa1 / P-1 / Stable. Securities lending transactions involve the temporary exchange of securities for collateral with a commitment to deliver the same securities and collateral on a specified future date. Income is earned in the form of fees paid by the counterparty and is recognised on the accrual basis in the Statements of Comprehensive Income. The Fund retains the risks and rewards of ownership of the securities loaned, and therefore these securities do not qualify for derecognition and therefore remain in the Statements of Financial Position of the Fund during the loan period. The risks and rewards of ownership include any gains or losses in market value of the securities, the ability to sell the securities, and any dividends or distributions on the securities for which the ex-dividend dates fall within the loan period.

The Fund receives collateral of at least 102% of the value of securities on loan. Should a borrower default on a securities loan, the Fund is entitled to the associated collateral. The Fund is not exposed to the risks and rewards of ownership of the collateral therefore the collateral is not included in the Fund's Statements of Financial Position. Collateral may comprise: debt that is issued or guaranteed by the Government of Canada or a province thereof, by the Government of the United States of America or of one of the states of the United States of America or of a sovereign state of the G7 countries, or of Austria, Belgium, Denmark, Finland, the Netherlands, Spain, Sweden, Switzerland, or a permitted supranational agency of Organisation for Economic Coordination and Development countries; debt that is issued or guaranteed by a financial institution whose short-term debt is rated A-1 or R-1 or equivalent and includes bankers acceptances, banker bearer deposit notes, or irrevocable letters of credit; corporate debt or corporate commercial paper; or convertible securities.

The aggregate fair value of securities loaned (which equals their carrying amount) and the aggregate fair value of the collateral under securities lending transactions as at June 30, 2019 and December 31, 2018 are as follows:

June 30, 2019		December 31, 2018	
Fair value of securities loaned	**Fair value of collateral**	Fair value of securities loaned	Fair value of collateral
$1,216,956	**$1,277,992**	$547,247	$574,624

As at June 30, 2019 and December 31, 2018, the collateral consisted of debt that is issued or fully and unconditionally guaranteed as to the principal and interest by government of Canada or a province of Canada.

The table below sets out a reconciliation of the gross amounts generated from securities lending transactions to the securities lending income disclosed in the Statements of Comprehensive Income for the six months ended June 30, 2019 and 2018:

	June 30, 2019		June 30, 2018	
	$	**% of gross income**	$	% of gross income
Securities lending income	**1,193**	**70.0%**	3,435	70.0%
Agent fees paid to the lending agent	**511**	**30.0%**	1,471	30.0%
Gross securities lending income	**1,704**		4,906	

13. RISK ASSOCIATED WITH FINANCIAL INSTRUMENTS

a) Risk factors

The Fund's investment activities expose it to a variety of risks associated with financial instruments.

The Manager seeks to maximize the returns derived for the level of risk to which the Fund is exposed and to minimize potential adverse effects on the Fund's performance by employing professional and experienced portfolio managers, by daily monitoring of the Fund's positions and market events, and by diversifying the investment portfolio within the

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

constraints of the investment objectives and restrictions. The Manager also maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment objectives and restrictions, internal guidelines and securities regulations.

b) Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The carrying amount of the Fund's assets represents the maximum credit risk exposure as at June 30, 2019 and December 31, 2018.

All transactions in listed securities are settled upon delivery using approved brokers. The trade will fail if either party fails to meet its obligations. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

The Fund enters into securities lending transactions with counterparties whereby the Fund temporarily exchanges securities for collateral with a commitment by the counterparty to deliver the same securities at a future date. All counterparties are subject to a stringent examination of creditworthiness which includes a financial assessment of the company, a review of qualitative factors including management and corporate governance, comparison to similar companies and consideration of ratings assigned by external ratings agencies, and the value of collateral must be at least 102% of the fair value of the securities loaned. Therefore credit risk associated with these transactions is considered minimal.

The Fund limits its exposure to credit loss by dealing with counterparties, including the lending agent and the issuers of short-term debt instruments, of high credit quality (see notes 5 and 12). To maximize the credit quality of its investments, the Fund's Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of counterparties, historical trends and other information. Given that the Fund is primarily invested in equities, credit risk is not considered significant.

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment. All investments present a risk of loss of capital. The Manager aims to moderate this risk through a careful selection and diversification of securities and other financial instruments within the limits of the Fund's investment objectives and strategy. The Fund's investment objectives include the requirement that its portfolio securities must exhibit low price volatility at the time of purchase, which may further reduce other price risk. The maximum risk of loss resulting from financial instruments is equivalent to their fair value.

The Fund is exposed to price risk from its investment in income trusts and equity securities. As at June 30, 2019, had the prices of these securities increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately $1,462,951 (December 31, 2018 – $1,300,319) or 9.0% (December 31, 2018 – 9.0% of total net assets). In practice, the actual results may differ and the impact could be material.

d) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities and its redeemable units. The Fund is exposed to liquidity risk through the annual redemption of its units, because there may be insufficient trade volumes in the markets for the securities of the Fund or because the securities may be subject to legal or contractual restrictions on their resale. The Fund receives notice of at least 22 business days prior to the date of redemption of units and has up to 15 business days after the redemption date to settle the redemptions, which provides the Manager time to liquidate securities to fund the redemptions, although there remains a risk that the required funds cannot be obtained. All of the liabilities of the Fund mature in six months or less. Liquidity risk is managed by investing the majority of the Fund's assets in investments that are traded in an active market and can be readily disposed of. The Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity; therefore, the liquidity risk for the Fund is considered minimal.

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

e) Interest rate risk
Interest rate risk arises on interest-bearing financial instruments. The Fund is exposed to interest rate risk on its short-term debt instruments. Fluctuations in interest rates have a direct effect on the Fund's ability to earn interest income. As at June 30, 2019 and December 31, 2018, the Fund had no significant exposure to interest rate risk due to the short term nature of its short-term debt instruments, which had maturities of less than three months.

f) Currency risk
Currency risk arises on financial instruments denominated in foreign currencies. Fluctuations in foreign exchange rates impact the valuation of assets and liabilities denominated in foreign currencies. As at June 30, 2019 and December 31, 2018, the Fund had no direct exposure to currency risk since none of its financial instruments were denominated in foreign currencies.

g) Concentration risk
Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk, expressed in terms of percentage of net assets invested by sector, as at June 30:

Market Segment	**2019**	2018
Communication Services	**5.1%**	4.2%
Consumer Discretionary	**7.2%**	14.7%
Consumer Staples	**5.4%**	9.6%
Energy Infrastructure	**8.7%**	5.0%
Financial Services	**18.0%**	20.0%
Health Care	**3.1%**	2.2%
Industrial	**8.4%**	9.4%
Materials	**6.2%**	4.2%
Oil and Gas	**3.5%**	6.9%
Oil & Gas Distribution	**3.6%**	2.4%
Real Estate	**11.5%**	9.5%
Utilities	**8.9%**	7.3%

h) Fair value hierarchy
The Fund classifies fair value measurements within a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly; and

Level 3 Inputs that are unobservable. The determination of fair value require significant management judgment or estimation.

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following fair value hierarchy table

NOTES TO FINANCIAL STATEMENTS (unaudited)
June 30, 2019 (continued)

presents information about the Fund's financial instruments measured at fair value as of June 30, 2019 and December 31, 2018:

June 30, 2019

	Level 1	Level 2	Level 3	Total
Equities	**$ 14,629,509**	**$ –**	**$ –**	**14,629,509**
	$ 14,629,509	**$ –**	**$ –**	**$ 14,629,509**

December 31, 2018

	Level 1	Level 2	Level 3	Total
Equities	$ 13,003,194	$ –	$ –	$ 13,003,194
	$ 13,003,194	$ –	$ –	$ 13,003,194

There were no transfers between the levels during the periods ended June 30, 2019 and December 31, 2018.

Corporate Information

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