

Semi-Annual Report 2013

# Core Canadian Dividend Trust



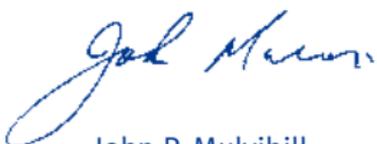
## Core Canadian Dividend Trust

### Letter to Unitholders

We are pleased to present the 2013 semi-annual report containing the management report of fund performance and the unaudited financial statements for Core Canadian Dividend Trust.

During the six months ended June 30, 2013, the Fund paid cash distributions of \$0.23 per unit. The net asset value decreased from \$6.80 per unit at December 31, 2012 to \$6.58 per unit at June 30, 2013 largely reflecting the cash distributions during the period. The net realized loss on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.02 per unit as compared to a net realized gain on options of \$0.07 per unit a year ago. During the six months ended June 30, 2013, the total return of the Fund, including reinvestment of distributions, was negative 0.1 percent. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

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 unitholders with a stable stream of monthly distributions targeted to be 6.5 percent per annum on the net asset value (“NAV”) of the Fund and to preserve and grow the NAV. The units are listed on the Toronto Stock Exchange (“TSX”) under the ticker symbol CDD.UN. To accomplish its objectives the Fund invests in a blue chip portfolio consisting of fifteen high quality, large capitalization, and dividend paying Canadian companies across multiple industry sectors that have an excellent long-term track record of dividend growth and share price appreciation. The Fund will generally invest not less than 4 percent and not more than 10 percent of the NAV in each security comprising the Core Canadian Dividend Portfolio, as well as, up to 15 percent in other securities listed on the TSX.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options 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 particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

# Core Canadian Dividend Trust

## Management Report of Fund Performance

### Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2013 of Core Canadian Dividend Trust (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, 2013, cash distributions of \$0.23 per unit remained unchanged from the prior year.

Since the inception of the Fund in November 2006, the Fund has paid total cash distributions of \$3.25 per unit.

#### Revenue and Expenses

For the six months ended June 30, 2013, the Fund’s total revenue was \$0.15 per unit, relatively unchanged from the prior year. Overall expenses decreased 8.8 percent compared to a year ago. However, total expenses per unit increased by \$0.01 per unit from the previous year to \$0.14 per unit due to a decreased average number of units outstanding during the period. The Fund had a net realized and unrealized loss of \$0.01 per unit in the first half of 2013 as compared to a net realized and unrealized loss of \$0.06 per unit a year earlier.

#### Net Asset Value

The net asset value per unit of the Fund decreased 3.2 percent from \$6.80 per unit at December 31, 2012 to \$6.58 per unit at June 30, 2013. The total net asset value of the Fund decreased \$0.3 million, from \$8.9 million at December 31, 2012 to \$8.6 million at June 30, 2013. The decline in the net asset value mainly reflected cash distributions to unitholders during the period.

## Management Report of Fund Performance

### Recent Developments

There were no recent developments pertaining to the Fund during the semi-annual period ending June 30, 2013.

### Future Accounting Policy Changes

Strathbridge Asset Management Inc. (“Strathbridge”), as the Manager of the Fund, has developed a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants (“CICA”) for changeover to International Financial Reporting Standards (“IFRS”).

The changeover plan was prepared to address the requirements and includes disclosures of the qualitative and quantitative impact, if any, of the changeover to IFRS in the 2013 financial statements and the preparation of the 2014 financial statements in accordance with IFRS with comparatives. In January 2011, the Canadian Accounting Standards Board (“AcSB”) approved a two year deferral from IFRS adoption for investment companies applying Accounting Guideline 18 - Investment Companies (“AcG-18”). Subsequently, in December 2011, AcSB extended the deferral for another year to January 1, 2014. As a result, the Fund will adopt IFRS for its fiscal period beginning January 1, 2014 and will issue its initial financial statements in accordance with IFRS, with comparative information, for the year ending December 31, 2014.

As at June 30, 2013, some anticipated changes to financial reporting include:

- Compliance with the full body of IFRS without industry specific exemptions. Unlike Canadian Generally Accepted Accounting Principles (“Canadian GAAP”) where investment fund accounting was based upon guidance in AcG-18,
- Implementation of cash flow statements,
- Presentation of comparative information, and
- Additional financial statement note disclosures on the recognition and classification of financial instruments.

Based on the Manager’s current understanding and analysis of IFRS to the accounting policies under Canadian GAAP, the Manager does not anticipate the transition to IFRS will have a material impact on the Fund’s net assets per unit, systems and processes, and it is expected that it will mainly result in additional note disclosure in the financial statements.

## Core Canadian Dividend Trust

### Management Report of Fund Performance

#### Related Party Transactions

Strathbridge, as the Investment Manager of the Fund, manages the 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 October 27, 2006,

Strathbridge is the Manager of the Fund pursuant to a Trust Agreement made between the Fund and Strathbridge dated October 27, 2006. 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.

### Management Report of Fund Performance

#### 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.

# Core Canadian Dividend Trust

## 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 for the past five years.

The information for the years ended December 31 is derived from the Fund's audited annual financial statements.

Information for the period ended June 30, 2013 is derived from the Fund's unaudited semi-annual financial statements.

	<b>Six months ended June 30, 2013</b>
<b>NET ASSETS PER UNIT</b>	
<b>Net Assets, beginning of period</b> (based on bid prices) <sup>(1)</sup>	<b>\$ 6.79</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	
Total revenue	<b>0.15</b>
Total expenses	<b>(0.14)</b>
Realized gain (loss) for the period	<b>0.21</b>
Unrealized gain (loss) for the period	<b>(0.22)</b>
<b>Total Increase (Decrease) from Operations</b> <sup>(2)</sup>	<b>-</b>
<b>DISTRIBUTIONS</b>	
Non-taxable distributions	<b>(0.23)</b>
<b>Total Distributions</b> <sup>(3)</sup>	<b>(0.23)</b>
<b>Net Assets, end of period</b> (based on bid prices) <sup>(1)</sup>	<b>\$ 6.57</b>

(1) Net Assets per unit is the difference between the aggregate value of the assets including the valuation of securities 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

	<b>Six months ended June 30, 2013</b>
<b>RATIOS/SUPPLEMENTAL DATA</b>	
Net Asset Value (\$millions)	<b>\$ 8.60</b>
Number of units outstanding	<b>1,308,579</b>
Management expense ratio <sup>(1)</sup>	<b>3.84%</b> <sup>(4)</sup>
Portfolio turnover rate <sup>(2)</sup>	<b>51.33%</b>
Trading expense ratio <sup>(3)</sup>	<b>0.22%</b> <sup>(4)</sup>
Net Asset Value per unit <sup>(5)</sup>	<b>\$ 6.58</b>
Closing market price	<b>\$ 6.45</b>

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including federal and provincial sales taxes but excluding transaction fees, divided by the average net asset value. The MER for 2010 includes the warrant exercise fees. The MER for 2010 excluding the warrant exercise fees is 2.63%. The MER for 2009 includes the warrant offering costs. The MER for 2009 excluding the warrant offering costs is 2.42%.

(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

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.

Years ended December 31				
2012	2011	2010	2009	2008
\$ 6.94	\$ 7.61	\$ 7.39	\$ 6.38	\$ 8.77
0.29	0.27	0.26	0.23	0.27
(0.23)	(0.23)	(0.22)	(0.24)	(0.18)
(0.27)	0.41	0.20	(1.15)	(0.57)
0.51	(0.65)	0.47	2.60	(1.38)
0.30	(0.20)	0.71	1.44	(1.86)
(0.44)	(0.47)	(0.48)	(0.43)	(0.53)
(0.44)	(0.47)	(0.48)	(0.43)	(0.53)
\$ 6.79	\$ 6.94	\$ 7.61	\$ 7.39	\$ 6.38

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.

- (3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

Years ended December 31				
2012	2011	2010	2009	2008
\$ 8.90	\$ 11.03	\$ 13.96	\$ 17.29	\$ 18.84
1,308,579	1,588,084	1,831,294	2,335,451	2,949,146
3.16%	3.00%	2.64%	3.21%	2.08%
120.09%	122.69%	164.67%	117.23%	75.04%
0.20%	0.23%	0.35%	0.36%	0.15%
\$ 6.80	\$ 6.94	\$ 7.63	\$ 7.40	\$ 6.39
\$ 6.35	\$ 6.32	\$ 7.15	\$ 6.98	\$ 5.25

- (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.

## Core Canadian Dividend Trust

### Management Report of Fund Performance

#### Management Fees

Strathbridge, as the Investment Manager of the Fund, is entitled to fees under the Investment Management 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.

Strathbridge, as the Manager of the Fund, is entitled to fees under the Trust Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end. Services received under the Trust Agreement include providing or arranging for required administrative services to the Fund.

#### Past Performance

The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

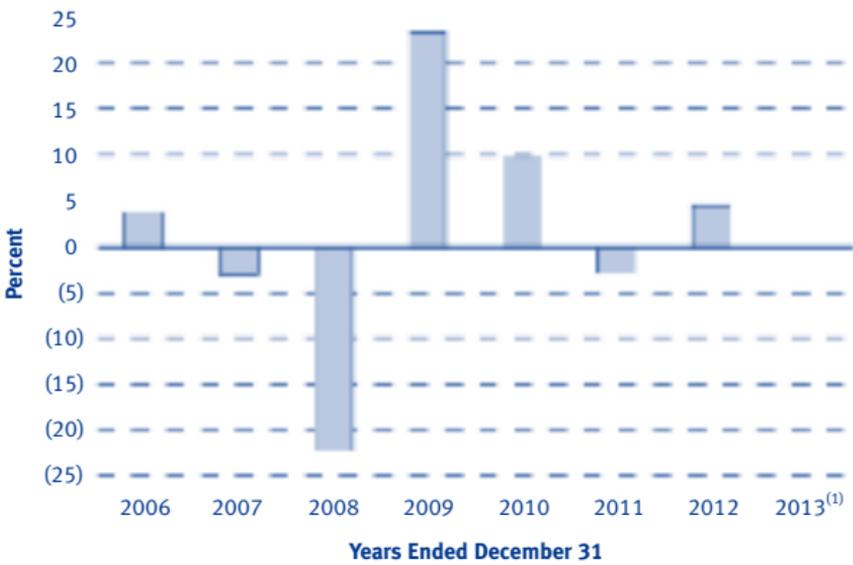
- (1) information shown assumes that all distributions (including deemed distributions based on the intrinsic value of the warrants exercised prior to the expiry date of the warrants) made by the Fund during these periods were reinvested in units of the Fund,
- (2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (3) past performance of the Fund does not necessarily indicate how it will perform in the future.

#### Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year for each of the past seven years and for the six months ended June 30, 2013. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 2006 would have increased or decreased by the end of the fiscal year or June 30, 2013 for the six months ended.

Management Report of Fund Performance

Annual Total Return



<sup>(1)</sup> For the six months ended June 30, 2013.

Portfolio Manager Report

Most Global equity markets trended higher in the first half of 2013 as economic data out of the United States and other parts of the World continued to improve while Central Banks maintained a bias to keep monetary policy accommodative. Market concerns surrounding the Fiscal Cliff in the U.S. quickly dissipated after a last minute deal was reached at the end of 2012 allowing the market to focus on better economic data and improving company fundamentals for the first half of 2013. The Canadian economy meanwhile posted subdued growth during the period and is expected to lag behind the U.S. economy as the slowdown in China is affecting the pricing of much of Canada’s export commodities. Pricing turmoil in the oil and gas industry caused by newly found massive deposits of shale oil and shale gas, and inadequate transportation infrastructure has hurt the western Canadian resource industry. The Canadian housing market continues to slow which on balance is probably good for the economy. The austerity debate in Europe is a continuing concern with respect to renewed economic growth in that region.

The net asset value of the Fund at June 30, 2013 was \$6.58 per unit compared to \$6.80 per unit at December 31, 2012. Unitholders received cash distributions of \$0.23 per unit during the first half of the year.

After trading virtually sideways for two months, the Canadian market started an up and down quarter in early April that

## Core Canadian Dividend Trust

### Management Report of Fund Performance

culminated with the S&P/TSX Composite Index posting a total return of negative 0.9 percent for the six months ended June 30, 2013. Materials stocks were the main culprits for the negative performance over the past six months. Most of the Materials names delivered negative returns, mainly in the gold sector as bullion prices continued to erode throughout the quarter. Gold traded below US\$1,200 per ounce for the first time since September 2010.

In the face of broad negative returns, there were two star performers in the Fund during the first six months namely: Manulife Financial Corporation and Thomson Reuters Corp. Their respective total returns for this period were 26.6 percent and 21.6 percent. The worst performer was Teck Resources Limited - Class B at negative 36.6 percent, which the Fund was underweight during the period.

Implied volatility began to move somewhat higher in the second quarter after making multi-year lows in January and further intra-day lows in March. Interestingly, the volatility of the implied volatility measure, S&P/TSX 60 VIX Index, has also been moving higher. The 30-day average of this series reached levels not seen since September 2011. The Fund took advantage of the higher volatility and increased its overwriting activity in the second quarter to slightly under 12 percent on average from approximately 2 percent in the first quarter. As at June 30, 2013, approximately 31 percent of the Fund was overwritten.

The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2013 was negative 0.1 percent, outperforming the total return on the S&P/TSX 60 Index of negative 1.0 percent.

The Fund's units, listed on the Toronto Stock Exchange as CDD.UN, closed on June 28, 2013 at \$6.45 per unit, up \$0.10 per unit from December 31, 2012. The closing market price of \$6.45 per unit represents a 1.9 percent discount to the net asset value of \$6.58 per unit.

### 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).

## Management Report of Fund Performance

## Asset Mix

June 30, 2013

	% of Net Asset Value
Financials	55%
Energy	14%
Consumer Discretionary	8%
Telecommunication Services	6%
Utilities	6%
Industrials	4%
Materials	3%
Consumer Staples	3%
Cash	1%
	100%

## Portfolio Holdings

June 30, 2013

	% of Net Asset Value
Manulife Financial Corporation	8%
Thomson Reuters Corp.	8%
Enbridge Inc.	7%
Royal Bank of Canada	7%
National Bank of Canada	7%
TransCanada Corp.	7%
The Bank of Nova Scotia	7%
AGF Management Limited - Class B	7%
The Toronto-Dominion Bank	6%
Canadian Utilities Ltd.	6%
Bank of Montreal	5%
Canadian Imperial Bank of Commerce	5%
BCE Inc.	5%
Russel Metals Inc.	4%
Teck Resources Limited - Class B	3%
Shoppers Drug Mart Corporation	3%
Sun Life Financial Inc.	3%
TELUS Corporation	1%
Cash	1%

## 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 Core Canadian Dividend Trust (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 Canadian generally accepted accounting principles 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 annual financial statements for the year ended December 31, 2012.

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 6, 2013

### 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 Canadian Institute of Chartered Accountants.

# Core Canadian Dividend Trust

## Financial Statements

### Statements of Net Assets

As at June 30, 2013 (Unaudited) and December 31, 2012 (Audited)

	2013	2012
<b>ASSETS</b>		
Investments at fair value (cost - \$8,412,888; 2012 - \$10,457,751)	<b>\$ 8,483,874</b>	\$ 10,814,522
Cash	<b>78,970</b>	195,806
Dividends receivable	<b>40,570</b>	50,522
Due from brokers - investments	<b>198,322</b>	-
<b>TOTAL ASSETS</b>	<b>8,801,736</b>	11,060,850
<b>LIABILITIES</b>		
Due to brokers - investments	<b>166,972</b>	218,553
Accrued liabilities	<b>38,914</b>	58,330
Redemptions payable	-	1,900,355
<b>TOTAL LIABILITIES</b>	<b>205,886</b>	2,177,238
<b>NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY</b>	<b>\$ 8,595,850</b>	\$ 8,883,612
Number of Units Outstanding	<b>1,308,579</b>	1,308,579
Net Assets per Unit (Note 2)	<b>\$ 6.5688</b>	\$ 6.7887

## Financial Statements

## Statements of Financial Operations

Six months ended June 30 (Unaudited)

	2013	2012
<b>REVENUE</b>		
Dividends	\$ 199,097	\$ 238,581
Interest	–	337
<b>TOTAL REVENUE</b>	<b>199,097</b>	<b>238,918</b>
<b>EXPENSES</b>		
Management fees	49,281	60,863
Service fees	17,489	21,794
Administrative and other expenses	43,365	42,709
Transaction fees (Note 3)	9,820	11,064
Custodian fees	14,704	15,536
Audit fees	12,735	12,806
Advisory board fees	9,815	10,445
Independent review committee fees	4,224	4,041
Legal fees	4,249	1,930
Unitholder reporting costs	6,826	7,557
Harmonized sales tax	10,203	11,630
<b>TOTAL EXPENSES</b>	<b>182,711</b>	<b>200,375</b>
<b>Net Investment Income</b>	<b>16,386</b>	<b>38,543</b>
Net gain (loss) on sale of investments	301,062	(397,011)
Net gain (loss) on sale of derivatives	(23,516)	114,844
<b>Net Gain (Loss) on Sale of Investments</b>	<b>277,546</b>	<b>(282,167)</b>
Net change in unrealized appreciation/ depreciation of investments	(285,785)	186,012
<b>Net Loss on Investments</b>	<b>(8,239)</b>	<b>(96,155)</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 8,147</b>	<b>\$ (57,612)</b>
<b>NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT</b> (based on the weighted average number of units outstanding during the period of 1,308,579; 2012 - 1,588,084)	<b>\$ 0.0062</b>	<b>\$ (0.0363)</b>

# Core Canadian Dividend Trust

## Financial Statements

### Statements of Changes in Net Assets

Six months ended June 30 (Unaudited)

	2013	2012
NET ASSETS, BEGINNING OF PERIOD	\$ 8,883,612	\$ 11,017,637
Net Increase (Decrease) in Net Assets from Operations	8,147	(57,612)
Distributions to Unitholders		
Non-taxable distributions	(295,909)	(362,750)
Changes in Net Assets during the Period	(287,762)	(420,362)
NET ASSETS, END OF PERIOD	\$ 8,595,850	\$ 10,597,275

### Statements of Net Gain (Loss) on Sale of Investments

Six months ended June 30 (Unaudited)

	2013	2012
Proceeds from Sale of Investments	\$ 6,992,639	\$ 8,274,703
Cost of Investments Sold		
Cost of investments, beginning of period	10,457,751	13,042,979
Cost of investments purchased	4,670,230	5,815,017
	15,127,981	18,857,996
Cost of Investments, End of Period	(8,412,888)	(10,301,126)
	6,715,093	8,556,870
NET GAIN ON SALE (LOSS) OF INVESTMENTS	\$ 277,546	\$ (282,167)

# Core Canadian Dividend Trust

## Financial Statements

### Statement of Investments

As at June 30, 2013 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets
<b>INVESTMENTS</b>				
<b>Canadian Common Shares</b>				
<b>Consumer Discretionary</b>				
Thomson Reuters Corp.	20,100	\$ 599,491	\$ 688,224	8.0%
<b>Consumer Staples</b>				
Shoppers Drug Mart Corporation	5,100	229,255	246,891	2.9%
<b>Energy</b>				
Enbridge Inc.	13,700	516,775	604,307	
TransCanada Corp.	12,600	591,087	570,276	
<b>Total Energy</b>		1,107,862	1,174,583	13.6%
<b>Financials</b>				
AGF Management Limited - Class B	50,600	648,125	566,214	
Bank of Montreal	7,800	467,750	475,800	
Canadian Imperial Bank of Commerce	6,300	480,979	470,232	
Manulife Financial Corporation	43,100	606,320	725,373	
National Bank of Canada	7,900	593,686	591,710	
Royal Bank of Canada	9,700	597,095	594,416	
Sun Life Financial Inc.	7,600	224,721	236,740	
The Bank of Nova Scotia	10,100	570,929	567,822	
The Toronto-Dominion Bank	6,700	549,514	565,815	
<b>Total Financials</b>		4,739,119	4,794,122	55.8%
<b>Industrials</b>				
Russel Metals Inc.	14,000	364,927	332,500	3.9%
<b>Materials</b>				
Teck Resources Limited - Class B	12,700	423,642	285,115	3.3%
<b>Telecommunication Services</b>				
BCE Inc.	9,300	388,891	401,016	
TELUS Corporation	3,800	135,673	116,660	
<b>Total Telecommunication Services</b>		524,564	517,676	6.0%
<b>Utilities</b>				
Canadian Utilities Ltd.	13,800	469,580	507,012	5.9%
<b>Total Canadian Common Shares</b>		\$ 8,458,440	\$ 8,546,123	99.4%

# Core Canadian Dividend Trust

## Financial Statements

### Statement of Investments

As at June 30, 2013 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Net Assets
<b>Options</b>				
<b>Written Covered Call Options</b> (100 shares per contract)				
AGF Management Limited - Class B				
- July 2013 @ \$11	(127)	\$ (2,350)	\$ (3,954)	
Bank of Montreal				
- July 2013 @ \$59	(21)	(2,058)	(4,723)	
Canadian Imperial Bank of Commerce				
- July 2013 @ \$75	(20)	(1,558)	(1,271)	
Canadian Utilities Ltd.				
- July 2013 @ \$36	(35)	(2,800)	(6,899)	
Manulife Financial Corporation				
- July 2013 @ \$16	(108)	(3,996)	(10,510)	
National Bank of Canada				
- July 2013 @ \$74	(39)	(4,680)	(6,978)	
National Bank of Canada				
- July 2013 @ \$75	(40)	(2,900)	(2,435)	
Royal Bank of Canada				
- July 2013 @ \$60	(25)	(2,784)	(4,185)	
Royal Bank of Canada				
- July 2013 @ \$61	(24)	(2,568)	(2,636)	
TELUS Corporation				
- July 2013 @ \$34	(38)	(2,432)	(608)	
The Bank of Nova Scotia				
- July 2013 @ \$56	(25)	(1,312)	(1,981)	
The Bank of Nova Scotia				
- July 2013 @ \$57	(25)	(1,725)	(649)	
The Toronto-Dominion Bank				
- July 2013 @ \$82	(34)	(3,587)	(9,088)	
Thomson Reuters Corp.				
- July 2013 @ \$34	(57)	(2,850)	(4,047)	
TransCanada Corp.				
- July 2013 @ \$45	(31)	(2,263)	(2,285)	
<b>Total Written Covered Call Options</b>		(39,863)	(62,249)	(0.7)%
<b>Total Options</b>		\$ (39,863)	\$ (62,249)	(0.7)%
Adjustment for transaction fees		(5,689)		
<b>TOTAL INVESTMENTS</b>		<b>\$ 8,412,888</b>	<b>\$ 8,483,874</b>	<b>98.7 %</b>
<b>OTHER NET ASSETS</b>			<b>111,976</b>	<b>1.3 %</b>
<b>TOTAL NET ASSETS</b>			<b>\$ 8,595,850</b>	<b>100.0 %</b>

## Notes to Financial Statements

June 30, 2013

1. Basis of Presentation

The semi-annual financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2012.

These semi-annual financial statements follow the same accounting policies and method of application as the most recent audited financial statements for the year ended December 31, 2012.

2. Net Asset Value

The net asset value of the Fund is calculated using the fair value of investments at the close or last trade price. The net assets per unit is calculated using the fair value of investments at the closing bid price. The net assets per unit for financial reporting purposes and net asset value per unit for pricing purposes will not be the same due to the use of different valuation techniques.

The difference between the net asset value per unit for pricing purposes and the net assets per unit reflected in the financial statements is as follows:

	June 30, 2013	Dec. 31, 2012
Net Asset Value per unit (for pricing purposes)	<b>\$ 6.5751</b>	\$ 6.7990
Difference	<b>(0.0063)</b>	(0.0103)
Net Assets per unit (for financial statement purposes)	<b>\$ 6.5688</b>	\$ 6.7887

3. Transaction Fees

Total transaction fees for the six months ended June 30, 2013 in connection with portfolio transactions were \$9,820 (June 30, 2012 - \$11,064). Of this amount \$4,514 (June 30, 2012 - \$3,958) was directed to cover payment of research services provided to the Investment Manager.

## Core Canadian Dividend Trust

### Notes to Financial Statements

June 30, 2013

#### 4. Financial Instruments and Risk Management

The various types of risks associated with financial instruments and the related risk management practices employed by the Fund remain unchanged from the prior year and are described in Note 11 of the annual financial statements for the year ended December 31, 2012.

The following is a summary of the inputs used as of June 30, 2013 in valuing the Fund's investments and derivatives carried at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Canadian Common Shares	\$ 8,546,123	\$ -	\$ -	\$ 8,546,123
Options	(4,655)	(57,594)	-	(62,249)
Total Investments	\$ 8,541,468	\$ (57,594)	\$ -	\$ 8,483,874

The following is a summary of the inputs used as of December 31, 2012 in valuing the Fund's investments and derivatives carried at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Canadian Common Shares	\$ 10,849,399	\$ -	\$ -	\$ 10,849,399
Options	-	(34,877)	-	(34,877)
Total Investments	\$ 10,849,399	\$ (34,877)	\$ -	\$ 10,814,522

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2013 and during the year ended December 31, 2012.

#### Other Price Risk

Approximately 99 percent (December 31, 2012 - 122 percent) of the Fund's net assets held at June 30, 2013 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at June 30, 2013, the net assets of the Fund would have increased or decreased by \$0.9M (December 31, 2012 - \$1.1M) respectively or 9.9 percent (December 31, 2012 - 12.2 percent) of the net assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

## Notes to Financial Statements

June 30, 2013

## Credit Risk

The following are the credit ratings for the counterparties to derivative financial instruments that were authorized for trading with the Fund during the current period based on Standard & Poor's credit ratings as of June 30, 2013:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Bank of Montreal	A-	A-2
Canadian Imperial Bank of Commerce	A+	A-1
Deutsche Bank	A	A-1
National Bank of Canada	A-	A-2
Royal Bank of Canada	AA-	A-1+
The Bank of Nova Scotia	A+	A-1
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A	A-1

The following are the credit ratings for the counterparties to derivative financial instruments that were authorized for trading with the Fund during the prior year based on Standard & Poor's credit ratings as of December 31, 2012:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Bank of Montreal	A+	A-1
Canadian Imperial Bank of Commerce	A+	A-1
Citigroup Inc.	A-	A-2
Deutsche Bank	A+	A-1
National Bank of Canada	A-	A-2
Royal Bank of Canada	AA-	A-1+
The Bank of Nova Scotia	A+	A-1
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A	A-1

## 5. Future Accounting Policy Changes

The Fund was required to adopt International Financial Reporting Standards ("IFRS") for the year beginning on January 1, 2011. In January 2011, the Canadian Accounting Standards Board ("AcSB") approved a two year deferral from IFRS adoption for investment companies applying Accounting Guideline 18 - Investment Companies. Subsequently, in December 2011, AcSB extended the deferral for another year to January 1, 2014. As a result, the Fund will adopt IFRS for the year beginning on January 1, 2014 and will issue its initial statements, with comparative information, for the year ending December 31, 2014.

# Core Canadian Dividend Trust

## 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)

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)

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