

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling toll free: 1.877.539.5743 by writing to us at 350, 440-2nd Avenue SW, Calgary AB T2P 5E9 or by visiting our website at www.matcofinancialinc.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

This annual management of fund performance presents management's view of the significant factors and developments during the year that have affected the fund's performance and outlook. In this report, "Matco" refers to Matco Financial Inc., the Manager of the Fund.

Investment Objective and Strategies

The objective of the Matco Canadian Equity Fund (the "Fund") is to achieve superior risk-adjusted returns through long-term capital appreciation by investing primarily in securities of mid to large market capitalization Canadian companies with strong fundamentals. This Fund utilizes Matco's investment management expertise with an overlay of non-proprietary management in pursuit of a Growth at a Reasonable Price (GARP) style. Matco seeks to maintain a portfolio that is well diversified between sectors, style and market capitalization. The Fund will generally be 100% exposed to stocks.

Risk

The overall and specific risks of investing in the Fund are as described in the Fund's Simplified Prospectus dated June 21, 2019. The risk rating of the Fund has decreased from medium to low-to-medium as a result of a lower standard deviation of price and returns.

Results of Operations

For the twelve months ended December 31, 2019, the Fund (Series F) returned 18.4%, underperforming the iShares Core S&P/TSX Capped Composite Index ETF (the "Benchmark") which returned 22.9%. The Fund experienced four consecutive quarters of positive performance: up 10.9% in the first quarter, up 1.2% in the second quarter, up 2.0% in the third quarter and up 3.5% in the fourth quarter. Defensive and interest rate sensitive sectors outperformed, as macroeconomic risks intensified and central banks around the world cut interest rates in anticipation of slowing economic growth. Gold producers were up 42.8%, utilities were up 37.5%, pipelines were up 34.5%, and real estate was up 22.8%. The best performing sector, neither defensive nor interest rate sensitive, was information technology, up 64.9%.

During 2019, three companies entered into a definitive agreement to be acquired; two of these transactions have closed and one transaction is pending. Gluskin Sheff & Associates Inc. was acquired by Onex Corp., Dream Global REIT was acquired by Blackstone Group Inc. and the acquisition of Cineplex Inc. by Cineworld Group is expected to close in the first quarter of 2020. In the fourth quarter, the Fund began repositioning for 2020. The Fund reduced its exposure to energy by exiting its position in Parkland Fuel Corp. and locking in profits. The Fund's remaining energy exposure is balanced between higher beta producers and lower beta pipelines. Within materials, the Fund initiated positions in Kirkland Lake Gold Ltd. and Labrador Iron Ore Royalty Corp. to gain exposure to metals; precious metals to insulate the Fund from volatility and base metals because they offer value. Russel Metals Inc. was sold, decreasing the Fund's exposure to industrials, as headline risks on tariffs related

to steel could resurface. The Fund's investment factors improved by rotating out of MTY Food Group Inc. and into Cineplex Inc. within consumer discretionary. The Fund transitioned from an underweight to a market weight in financials by adding a position in Alaris Royalty Corp. Lastly, the Fund's real estate exposure was eliminated from the closing of the Dream Global REIT acquisition by Blackstone Group Inc. and by selling H&R REIT.

The Fund earned investment income from dividends of \$5.5 million (year ended December 31, 2018 - \$3.1 million) and provided an increase in net assets attributable to holders of redeemable shares of \$15.0 million (year ended December 31, 2018 - \$11.5 million loss) for the year. Prior to conversion, as described below, the Matco Funds Corp. structure incurred tax expense with \$98,349 (2018 - \$nil) allocated to the predecessor to the Fund.

The Fund experienced no unusual trends in redemptions or sales. The Fund had no significant changes in the components of revenue or expenses.

On August 9, 2019, a conversion of the Matco Canadian Equity Class (the "Class") into the Fund was completed on a tax deferred basis whereby the Class exchanged its assets for units of a separate newly established Trust and shareholders then exchanged their shares of the Class for units of the separate Fund. This conversion was undertaken to change the tax structure of the Fund from a combined mutual fund corporation, the Matco Funds Corp., into a stand-alone mutual fund trust. The results of the predecessor terminating fund, the Matco Canadian Equity Class, and continuing fund, Matco Canadian Equity Fund, are presented on a continuous basis. Details of the conversion are outlined in the Management Proxy Circular date May 20, 2019. No changes to investment objectives or fees were made.

Recent Developments

The investment team's strategic long-term investment outlook has not changed, the investment team believes that the current economic cycle to be in the late stages. With that said, earnings are expected to increase in 2020 and earnings growth has a positive correlation to equity prices; thus, we expect modest returns in Canada.

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. There are potential direct and indirect effects on the value of the investments in our portfolios, and we will continue to monitor the impact COVID-19 has on them.

Related Party Transactions

Management Fees

Matco provides the Fund with investment management services, including managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment portfolio and providing other services. In return, Matco receives a management fee based on the net assets of the Fund, calculated on a daily basis.

For the year ended December 31, 2019, the Fund incurred management fees payable to Matco of \$68,936 (year ended December 31, 2018 - \$130,646). Matco, at its discretion, absorbed \$19,339 (year ended December 31, 2018 - \$5,219) of expenses for the year ended December 31, 2019. There is no obligation nor guarantee that the Manager will continue to absorb expenses in future periods.

Investment Review Committee

An Investment Review Committee (“IRC”) has been established by the Manager in accordance with *National Instrument 81-107 Independent Review Committee for Investment Funds (“NI 81-107”)*. The IRC must review and approve conflict of interest matters as referred by the Manager. During the year ended December 31, 2019, the IRC approved the conversion of the Fund from a mutual fund corporation into a stand-alone mutual fund trust. The Fund did not refer any related party transactions or conflict of interest matters to the IRC during the year ended December 31, 2019 or 2018.

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 over the past five years.

The Fund's Net Assets per Unit ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

SERIES A	2019	2018	2017	2016	2015
Net assets, beginning of period/year⁽¹⁾⁽²⁾	9.44	11.47	11.08	9.97	10.58
Increase (decrease) from operations⁽²⁾:					
Total revenue	0.69	0.40	0.37	0.31	0.33
Total expenses	(0.27)	(0.30)	(0.23)	(0.22)	(0.22)
Net realized gains (losses)	0.02	0.62	0.56	0.56	0.45
Net unrealized gains (losses)	1.24	(2.08)	0.20	0.14	(0.83)
Total increase (decrease) from operations⁽²⁾:	1.68	(1.36)	0.90	0.79	(0.27)
Distributions⁽³⁾:					
From net investment income (excluding dividends)	(0.21)	—	—	—	—
From dividends	(0.36)	(0.38)	(0.33)	(0.27)	(0.28)
From capital gains	(0.28)	—	(0.23)	—	—
Return of capital	—	—	—	—	—
Total distributions:	(0.85)	(0.38)	(0.56)	(0.27)	(0.28)
Net assets, end of period/year	10.26	9.44	11.47	11.08	9.97

Ratios and Supplemental Data

Total net asset value ⁽⁴⁾⁽⁵⁾	\$72,881	\$71,167	\$130,255	\$136,831	\$353,302
Number of shares outstanding ⁽⁵⁾	7,104	7,540	11,357	12,351	35,444
Management expense ratio, including income taxes ⁽⁶⁾	2.08%	1.96%	1.96%	1.96%	1.93%
Management expense ratio, excluding income taxes ⁽⁶⁾	1.97%	1.96%	1.96%	1.96%	1.93%
Management expense ratio before absorptions ⁽⁶⁾	2.08%	1.96%	1.96%	1.96%	1.93%
Portfolio turnover rate ⁽⁷⁾	51.65%	53.68%	49.80%	64.31%	61.14%
Trading expense ratio ⁽⁸⁾	0.09%	0.12%	0.12%	0.13%	0.09%
Net asset value per share	\$10.26	\$9.44	\$11.47	\$11.08	\$9.97

SERIES F	2019	2018	2017	2016	2015
Net assets, beginning of period/year⁽¹⁾⁽²⁾	9.99	12.05	11.55	10.32	10.88
Increase (decrease) from operations⁽²⁾:					
Total revenue	0.70	0.40	0.39	0.33	0.34
Total expenses	(0.18)	(0.19)	(0.16)	(0.15)	(0.15)
Net realized gains (losses)	0.02	0.89	0.58	0.64	0.39
Net unrealized gains (losses)	1.28	(2.42)	0.25	0.67	(0.83)
Total increase (decrease) from operations⁽²⁾:	1.82	(1.32)	1.06	1.49	(0.25)
Distributions⁽³⁾:					
From net investment income (excluding dividends)	(0.21)	—	—	—	—
From dividends	(0.38)	(0.40)	(0.34)	(0.28)	(0.29)
From capital gains	(0.30)	—	(0.24)	—	—
Return of capital	—	—	—	—	—
Total distributions:	(0.89)	(0.40)	(0.58)	(0.28)	(0.29)
Net assets, end of period/year	10.28	9.99	12.05	11.55	10.32

Ratios and Supplemental Data

Total net asset value ⁽⁴⁾⁽⁵⁾	\$4,930,883	\$7,809,396	\$23,584,776	\$21,019,238	\$18,450,291
Number of shares outstanding ⁽⁵⁾	479,755	781,596	1,956,976	1,819,627	1,787,022
Management expense ratio, including income taxes ⁽⁶⁾	1.33%	1.22%	1.20%	1.21%	1.26%
Management expense ratio, excluding income taxes ⁽⁶⁾	1.22%	1.22%	1.20%	1.21%	1.26%
Management expense ratio before absorptions ⁽⁶⁾	1.33%	1.22%	1.20%	1.21%	1.26%
Portfolio turnover rate ⁽⁷⁾	51.65%	53.68%	49.80%	64.31%	61.14%
Trading expense ratio ⁽⁸⁾	0.09%	0.12%	0.12%	0.13%	0.09%
Net asset value per share	\$10.28	\$9.99	\$12.05	\$11.55	\$10.32

Annual Management Report of Fund Performance
For the Year Ended December 31, 2019

MATCO CANADIAN EQUITY FUND

SERIES N	2019	2018
Net assets, beginning of period/year⁽¹⁾⁽²⁾	8.56	—
Increase (decrease) from operations⁽²⁾:		
Total revenue	0.70	0.56
Total expenses	(0.10)	(0.09)
Net realized gains (losses)	0.02	(1.04)
Net unrealized gains (losses)	1.16	0.12
Total increase (decrease) from operations⁽²⁾:	1.78	(0.45)
Distributions⁽³⁾:		
From net investment income (excluding dividends)	(0.24)	—
From dividends	(0.36)	(0.34)
From capital gains	(0.25)	—
Return of capital	—	—
Total distributions:	(0.85)	(0.34)
Net assets, end of period/year	—	8.56
Ratios and Supplemental Data		
Total net asset value ⁽⁴⁾⁽⁵⁾	\$—	\$1,293
Number of shares outstanding ⁽⁵⁾	—	151
Management expense ratio, including income taxes ⁽⁶⁾	0.70%	0.62%
Management expense ratio, excluding income taxes ⁽⁶⁾	0.56%	0.62%
Management expense ratio before absorptions ⁽⁶⁾	1,384.48%	7,962.49%
Portfolio turnover rate ⁽⁷⁾	51.65%	53.68%
Trading expense ratio ⁽⁸⁾	0.09%	0.12%
Net asset value per share	\$—	\$8.56

SERIES O	2019	2018	2017	2016	2015
Net assets, beginning of period/year⁽¹⁾⁽²⁾	11.64	13.89	13.19	11.66	12.16
Increase (decrease) from operations⁽²⁾:					
Total revenue	0.69	0.51	0.46	0.37	0.39
Total expenses	(0.04)	(0.03)	(0.04)	(0.04)	(0.04)
Net realized gains (losses)	0.02	0.49	0.66	0.72	0.15
Net unrealized gains (losses)	1.07	(2.72)	0.40	0.97	(0.74)
Total increase (decrease) from operations⁽²⁾:	1.74	(1.75)	1.48	2.02	(0.24)
Distributions⁽³⁾:					
From net investment income (excluding dividends)	(0.24)	—	—	—	—
From dividends	(0.44)	(0.46)	(0.40)	(0.32)	(0.33)
From capital gains	(0.35)	—	(0.28)	—	—
Return of capital	—	—	—	—	—
Total distributions:	(1.03)	(0.46)	(0.68)	(0.32)	(0.33)
Net assets, end of period/year	10.28	11.64	13.89	13.19	11.66
Ratios and Supplemental Data					
Total net asset value ⁽⁴⁾⁽⁵⁾	\$82,799,523	\$67,829,516	\$79,825,309	\$63,968,584	\$38,114,403
Number of shares outstanding ⁽⁵⁾	8,058,012	5,827,929	5,747,073	4,851,116	3,267,908
Management expense ratio, including income taxes ⁽⁶⁾	0.28%	0.17%	0.15%	0.16%	0.20%
Management expense ratio, excluding income taxes ⁽⁶⁾	0.17%	0.17%	0.15%	0.16%	0.20%
Management expense ratio before absorptions ⁽⁶⁾	0.28%	0.17%	0.15%	0.16%	0.20%
Portfolio turnover rate ⁽⁷⁾	51.65%	53.68%	49.80%	64.31%	61.14%
Trading expense ratio ⁽⁸⁾	0.09%	0.12%	0.12%	0.13%	0.09%
Net asset value per share	\$10.28	\$11.64	\$13.89	\$13.19	\$11.66

- (1) This information is derived from the Fund's audited annual financial statements. Per share amounts are for the periods for increases (decreases) and points in time for distributions, as applicable, and are not intended to be a reconciliation of opening and closing net assets.
- (2) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period.
- (3) Distributions were paid in cash/reinvested in additional shares of the Fund, or both.
- (4) The information is prepared in accordance with IFRS which uses the last trade price for investments that are traded in an active market where quoted prices are readily and regularly available. For investments that are not traded in an active market, the Fund uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs.
- (5) This information is provided as at the year shown, as applicable, except for Series N results for 2018 which are from inception February 6, 2018 through December 31, 2018.
- (6) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the year/period.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (8) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year/period.

Management Fees

The annual management fee rates, exclusive of sales taxes, are 1.75%, 1.00% and 0.50% for Series A, F and N respectively. No management fees are charged directly to Series O.

During the year ended December 31, 2019, management fees totaled \$68,936 (year ended December 31, 2018 - \$130,646). Included in liabilities at December 31, 2019 is \$5,079 (December 31, 2018 - \$7,276) in respect of these fees.

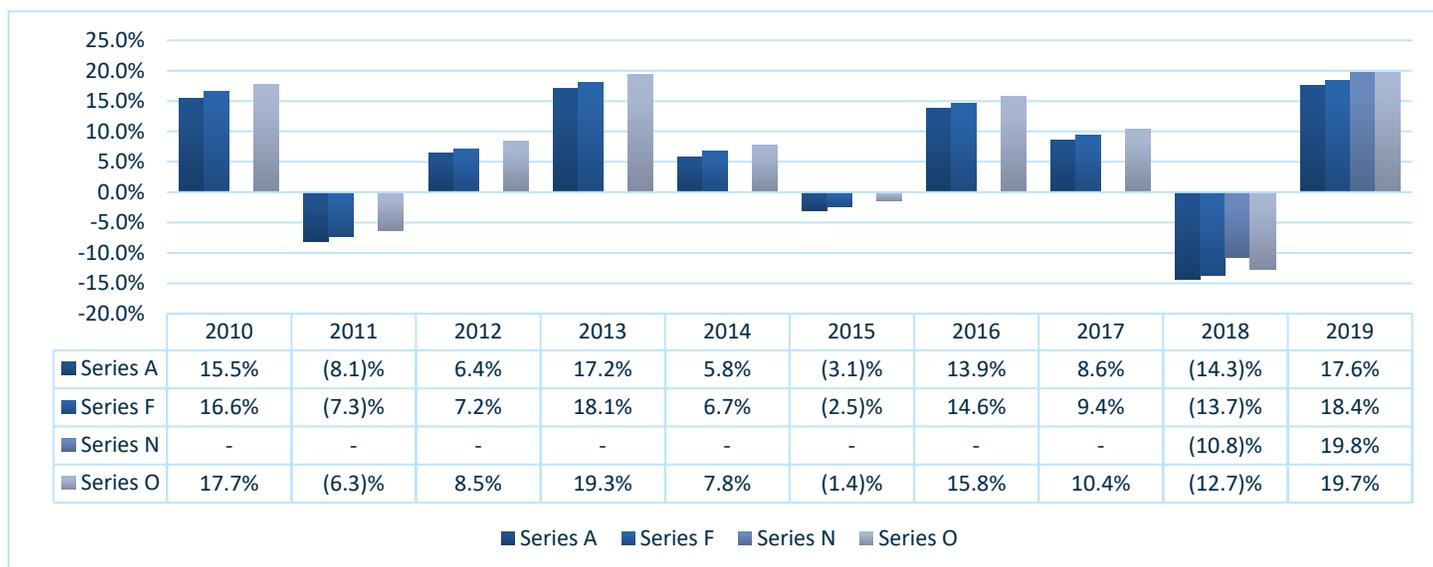
All management fees paid by Series F and N were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions. Of management fees paid on Series A, 57.14% were used to pay for trailing and other dealer sales commissions, the remaining 42.86% covered portfolio management and other services provided to the Fund by the Manager.

PAST PERFORMANCE

This section shows how the Fund has performed in the past. The performance information shown assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account: sales, redemption, and distribution or other optional charges, that would have reduced returns or performance. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

Year-By-Year Returns

The bar charts that follow show the performance of each series of the Fund for the ten most recently completed financial years. The charts show, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31st of the fiscal year (except 2018 as noted below).



*Series N returns for 2018 is from inception February 6, 2018 to December 31, 2018 and for 2019 is from January 1, 2019 through liquidation December 26, 2019.

Annual Compound Returns

	Series A	Series F	Series N	Series O	Benchmark*
1 Year ⁺	17.6%	18.4%	19.8%	19.7%	22.9%
3 Year	3.0%	3.8%	-	4.9%	6.9%
5 Year	3.8%	4.6%	-	5.7%	6.3%
10 Year	5.4%	6.2%	-	7.3%	6.8%
Since Inception ⁺	-	-	3.5%	-	9.4%

*The Benchmark of the Fund was updated to the iShares Core S&P/TSX Capped Composite Index ETF from the S&P/TSX Composite Total Return Index during the year. The performance, allocations and risk exposures of the two indices track closely over long periods of time. Given Matco's private client investor base, who often look at ETFs as a substitute for active investment solutions, the ETF better fulfills the investable portion of the benchmark suitability criteria. Matco has chosen to be consistent across all mandates by benchmarking against ETFs for this reason.

⁺Since inception values are only reported for Series N as all other series have more than 10 years of available data. Since inception values for Series N are from February 6, 2018 and one year returns are through its liquidation December 26, 2019.

SUMMARY OF INVESTMENT PORTFOLIO

Sector Allocation	% of Net Asset Value
Financials	33.9
Communication Services	12.8
Industrials	11.2
Energy	9.9
Materials	9.2
Consumer Discretionary	6.4
Information Technology	5.8
Consumer Staples	5.8
Cash	4.2
Other net assets (liabilities)	0.8

Top 25 Holdings	% of Net Asset Value
Genworth MI Canada Inc.	4.3
Cash	4.2
Cogeco Inc.	4.1
Royal Bank of Canada	3.9
Canadian Natural Resources Ltd.	3.7
Power Corp of Canada	3.7
Quebecor Inc.	3.6
Gibson Energy Inc.	3.5
Kirkland Lake Gold Ltd.	3.5
Cineplex Inc.	3.3
First National Financial Corp.	3.2
Transcontinental Inc.	3.1
Metro Inc.	3.1
Canadian Pacific Railway Ltd.	3.0
CI Financial Corp.	2.9
Evertz Technologies Limited	2.9
Constellation Software Inc.	2.9
Dollarama Inc.	2.8
Chorus Aviation Inc.	2.8
National Bank of Canada	2.8
Bank of Nova Scotia	2.8
Intertape Polymer Group Inc.	2.7
Rogers Communications Inc.	2.7
Enerplus Corp.	2.7
North West Co., Inc.	2.7
Total Net Asset Value	\$87,803,287

A NOTE ON FORWARD LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. 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 a forward-looking statement. 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 these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.