

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](http://www.matcofinancialinc.com) or SEDAR at [www.sedar.com](http://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 period 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 Small Cap Fund (the "Fund") is to seek long-term capital appreciation by investing primarily in small to mid capitalization Canadian companies.

The Fund focuses on companies that are profitable, have strong balance sheets, are attractively priced and reinvest excess earnings back into the company. Other characteristics include strong, reasonable multiples, predictability, analyst recognition and market participation. 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. There were no material changes to the Fund during the period that affected the overall level of risk associated with an investment in the Fund.

### Results of Operations

For the twelve months ended December 31, 2019, the Fund experienced a 10.5% return (Series F) compared to a 16.2% return for the S&P/TSX Small Cap ETF for a total underperformance of 5.7%. The Fund's under performance was due to its lack of exposure to gold and silver stocks. During the last quarter, the benchmark had a huge 6.3% rally led by the Materials sector, which has the largest weight in the benchmark at 26%. The key driver within Materials was gold and silver companies which were up 15% during the quarter. Our Fund only has a 7% weight in the Materials sector and zero exposure to gold and silver companies since they do not meet our disciplined investment criteria. The benchmark remains heavily weighted towards resources (energy and gold and silver companies) at 43%. Our Fund remains more diversified, and as a result less risky than the overall benchmark.

During the year the Fund had two companies that were acquired; Gluskin Sheff by Onex Corp. and Dream Global REIT was acquired by Blackstone Group Inc.

Small cap stocks started 2019 very strong with a rebound rally off the lows of December 2018. The equity rally was led by the U.S. Federal Reserve cutting interest rates and showing an easing bias. However, with headline risks of the U.S. - China trade war potentially leading to slower global economic growth and concerns about BREXIT, stocks significantly corrected in May. Stocks rallied in June as it became clear that global central bankers would be willing to further cut interest rates to keep the global economic expansion alive.

During the fourth quarter the Fund eliminated its Cannabis exposure by selling Valens Groworks Corp., Origin House, and Acreage

Holdings Inc. due to changing industry fundamentals. We also sold GMP Capital Inc., Hamilton Thorne Ltd., MTY Food Group Inc., and Russel Metals Inc. due to deteriorating fundamentals. In addition, Dream Global REIT Trust. was tendered for cash given the takeover by Blackstone Group Inc. In late December we started building new positions in Melcor REIT, Richards Packaging Income Fund and Olympia Financial Group. As of December 31, the Fund has a defensive posture focused on yield and less cyclical sectors.

The Fund's net assets increased to \$52.0 million at December 31, 2019 from \$35.6 million at December 31, 2018. The Fund earned investment income from dividends of \$2.9 million (year ended December 31, 2018 - \$1.5 million) and provided an increase in net assets attributable to holders of redeemable shares of \$3.6 million (year ended December 31, 2018 - \$5.7 million loss) for the year. Prior to conversion, as described below, the Matco Funds Corp. structure generated a tax recovery with \$64,698 (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 Small Cap 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 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 Small Cap Class, and the continuing fund, the Matco Small Cap 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

We expect corporate earnings growth in 2020 to be at a 1-2% year over year growth rate. Given potential negative headlines from the economic impact of the novel Coronavirus and the upcoming U.S. presidential election, we expect equity market volatility to be higher in 2020 than in 2019. We expect global central banks to be on high alert for a potential economic slowdown due to the spread of the virus and that they will be willing to cut interest rates significantly if needed. We expect governments to take action through a combination of tax cuts and spending to offset any potential GDP slows. We expect the Fund to be well positioned to handle market volatility given its lack of material exposure to cyclical sectors such as energy and base metals..

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 \$77,823 (year ended

December 31, 2018 - \$83,686). Matco, at its discretion, absorbed \$20,850 (year ended December 31, 2018 - \$12,738) 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** <sup>(1)(2)(3)(4)</sup>

| <b>SERIES A</b>  | <b>2019</b> | <b>2018</b>   | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  |
|--|-------------|---------------|--------------|--------------|--------------|
| <b>Net assets, beginning of period/year</b> <sup>(1)(2)</sup>    | 13.65       | 16.38         | 15.83        | 14.04        | 13.59        |
| <b>Increase (decrease) from operations</b> <sup>(2):</sup>       |             |               |              |              |              |
| Total revenue  | 0.70        | 0.69          | 0.45         | 0.39         | 0.30         |
| Total expenses   | (0.41)      | (0.63)        | (0.41)       | (0.37)       | (0.38)       |
| Net realized gains (losses)                                      | (0.12)      | 0.80          | 1.25         | (0.40)       | 1.11         |
| Net unrealized gains (losses)                                    | 0.27        | (2.87)        | (1.10)       | 2.32         | (0.27)       |
| <b>Total increase (decrease) from operations</b> <sup>(2):</sup> | <b>0.44</b> | <b>(2.01)</b> | <b>0.19</b>  | <b>1.94</b>  | <b>0.76</b>  |
| <b>Distributions</b> <sup>(3):</sup>                             |             |               |              |              |              |
| From net investment income (excluding dividends)                 | (0.13)      | —             | —            | —            | —            |
| From dividends   | (0.43)      | (0.58)        | (0.37)       | (0.24)       | (0.23)       |
| From capital gains   | (1.82)      | —             | (0.44)       | —            | —            |
| Return of capital  | —           | —             | —            | —            | —            |
| Total distributions:   | (2.38)      | (0.58)        | (0.81)       | (0.24)       | (0.23)       |
| <b>Net assets, end of period/year</b>                            | <b>9.57</b> | <b>13.65</b>  | <b>16.38</b> | <b>15.83</b> | <b>14.04</b> |

**Ratios and Supplemental Data**

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Total net asset value <sup>(4)(5)</sup>                         | \$262,821 | \$142,002 | \$211,511 | \$462,730 | \$219,430 |
| Number of units outstanding <sup>(5)</sup>                      | 27,451    | 10,405    | 12,911    | 29,237    | 15,627    |
| Management expense ratio, including income taxes <sup>(6)</sup> | 2.23%     | 2.38%     | 2.31%     | 2.22%     | 2.39%     |
| Management expense ratio, excluding income taxes <sup>(6)</sup> | 2.36%     | 2.38%     | 2.31%     | 2.22%     | 2.39%     |
| Management expense ratio before absorptions <sup>(6)</sup>      | 2.23%     | 2.38%     | 2.31%     | 2.22%     | 2.39%     |
| Portfolio turnover rate <sup>(7)</sup>                          | 55.96%    | 82.52%    | 76.27%    | 50.33%    | 64.59%    |
| Trading expense ratio <sup>(8)</sup>                            | 0.28%     | 0.33%     | 0.33%     | 0.37%     | 0.22%     |
| Net asset value per unit  | \$9.57    | \$13.65   | \$16.38   | \$15.83   | \$14.04   |

| <b>SERIES F</b>  | <b>2019</b> | <b>2018</b>   | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  |
|--|-------------|---------------|--------------|--------------|--------------|
| <b>Net assets, beginning of period/year</b> <sup>(1)(2)</sup>    | 15.67       | 18.66         | 17.89        | 15.79        | 15.16        |
| <b>Increase (decrease) from operations</b> <sup>(2):</sup>       |             |               |              |              |              |
| Total revenue  | 0.73        | 0.75          | 0.56         | 0.43         | 0.35         |
| Total expenses   | (0.28)      | (0.49)        | (0.33)       | (0.33)       | (0.29)       |
| Net realized gains (losses)                                      | (0.12)      | 2.30          | 1.14         | (0.47)       | 0.97         |
| Net unrealized gains (losses)                                    | 0.54        | (5.50)        | 0.30         | 2.75         | (0.26)       |
| <b>Total increase (decrease) from operations</b> <sup>(2):</sup> | <b>0.87</b> | <b>(2.94)</b> | <b>1.67</b>  | <b>2.38</b>  | <b>0.77</b>  |
| <b>Distributions</b> <sup>(3):</sup>                             |             |               |              |              |              |
| From net investment income (excluding dividends)                 | (0.14)      | —             | —            | —            | —            |
| From dividends   | (0.49)      | (0.66)        | (0.42)       | (0.28)       | (0.26)       |
| From capital gains   | (2.10)      | —             | (0.50)       | —            | —            |
| Return of capital  | —           | —             | —            | —            | —            |
| Total distributions:   | (2.73)      | (0.66)        | (0.92)       | (0.28)       | (0.26)       |
| <b>Net assets, end of period/year</b>                            | <b>9.58</b> | <b>15.67</b>  | <b>18.66</b> | <b>17.89</b> | <b>15.79</b> |

**Ratios and Supplemental Data**

|   |             |             |              |              |             |
|---|-------------|-------------|--------------|--------------|-------------|
| Total net asset value <sup>(4)(5)</sup>                         | \$5,481,993 | \$4,863,144 | \$11,423,741 | \$10,687,176 | \$5,065,563 |
| Number of units outstanding <sup>(5)</sup>                      | 572,442     | 310,443     | 612,097      | 597,310      | 320,906     |
| Management expense ratio, including income taxes <sup>(6)</sup> | 1.49%       | 1.62%       | 1.55%        | 1.59%        | 1.59%       |
| Management expense ratio, excluding income taxes <sup>(6)</sup> | 1.63%       | 1.62%       | 1.55%        | 1.59%        | 1.59%       |
| Management expense ratio before absorptions <sup>(6)</sup>      | 1.49%       | 1.62%       | 1.55%        | 1.59%        | 1.59%       |
| Portfolio turnover rate <sup>(7)</sup>                          | 55.96%      | 82.52%      | 76.27%       | 50.33%       | 64.59%      |
| Trading expense ratio <sup>(8)</sup>                            | 0.28%       | 0.33%       | 0.33%        | 0.37%        | 0.22%       |
| Net asset value per unit  | \$9.58      | \$15.67     | \$18.66      | \$17.89      | \$15.79     |

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

**MATCO SMALL CAP FUND**

| <b>SERIES N</b>   | <b>2019</b>      | <b>2018</b>      |
|---|------------------|------------------|
| <b>Net assets, beginning of period/year<sup>(1)(2)</sup></b>    | 8.90             | -                |
| <b>Increase (decrease) from operations<sup>(2):</sup></b>       |                  |                  |
| Total revenue   | 0.68             | 0.50             |
| Total expenses  | (0.17)           | (0.15)           |
| Net realized gains (losses)                                     | (0.11)           | (1.75)           |
| Net unrealized gains (losses)                                   | (1.42)           | (0.52)           |
| <b>Total increase (decrease) from operations<sup>(2):</sup></b> | <b>(1.02)</b>    | <b>(1.92)</b>    |
| <b>Distributions<sup>(3):</sup></b>                             |                  |                  |
| From net investment income (excluding dividends)                | (0.15)           | -                |
| From dividends  | (0.34)           | (0.38)           |
| From capital gains  | (1.20)           | -                |
| Return of capital   | -                | -                |
| Total distributions:  | (1.69)           | (0.38)           |
| <b>Net assets, end of period/year</b>                           | <b>9.58</b>      | <b>8.90</b>      |
| <b>Ratios and Supplemental Data</b>                             |                  |                  |
| Total net asset value <sup>(4)(5)</sup>                         | <b>\$144,066</b> | <b>\$2,235</b>   |
| Number of units outstanding <sup>(5)</sup>                      | <b>15,034</b>    | <b>251</b>       |
| Management expense ratio, including income taxes <sup>(6)</sup> | <b>0.85%</b>     | <b>0.78%</b>     |
| Management expense ratio, excluding income taxes <sup>(6)</sup> | <b>0.97%</b>     | <b>0.78%</b>     |
| Management expense ratio before absorptions <sup>(6)</sup>      | <b>21.28%</b>    | <b>2,043.17%</b> |
| Portfolio turnover rate <sup>(7)</sup>                          | <b>55.96%</b>    | <b>82.52%</b>    |
| Trading expense ratio <sup>(8)</sup>                            | <b>0.28%</b>     | <b>0.33%</b>     |
| Net asset value per unit  | <b>\$9.58</b>    | <b>\$8.90</b>    |

| <b>SERIES O</b>   | <b>2019</b>         | <b>2018</b>         | <b>2017</b>  | <b>2016</b>  | <b>2015</b>  |
|---|---------------------|---------------------|--------------|--------------|--------------|
| <b>Net assets, beginning of period/year<sup>(1)(2)</sup></b>    | 15.95               | 18.75               | 17.74        | 15.45        | 14.64        |
| <b>Increase (decrease) from operations<sup>(2):</sup></b>       |                     |                     |              |              |              |
| Total revenue   | 0.71                | 0.79                | 0.56         | 0.42         | 0.33         |
| Total expenses  | (0.02)              | (0.10)              | (0.10)       | (0.11)       | (0.08)       |
| Net realized gains (losses)                                     | (0.12)              | 1.51                | 1.14         | (0.37)       | 0.99         |
| Net unrealized gains (losses)                                   | 0.23                | (4.37)              | 0.31         | 2.68         | (0.23)       |
| <b>Total increase (decrease) from operations<sup>(2):</sup></b> | <b>0.80</b>         | <b>(2.17)</b>       | <b>1.91</b>  | <b>2.62</b>  | <b>1.01</b>  |
| <b>Distributions<sup>(3):</sup></b>                             |                     |                     |              |              |              |
| From net investment income (excluding dividends)                | (0.16)              | -                   | -            | -            | -            |
| From dividends  | (0.51)              | (0.67)              | (0.42)       | (0.27)       | (0.25)       |
| From capital gains  | (2.16)              | -                   | (0.50)       | -            | -            |
| Return of capital   | -                   | -                   | -            | -            | -            |
| Total distributions:  | (2.83)              | (0.67)              | (0.92)       | (0.27)       | (0.25)       |
| <b>Net assets, end of period/year</b>                           | <b>9.59</b>         | <b>15.95</b>        | <b>18.75</b> | <b>17.74</b> | <b>15.45</b> |
| <b>Ratios and Supplemental Data</b>                             |                     |                     |              |              |              |
| Total net asset value <sup>(4)(5)</sup>                         | <b>\$46,069,198</b> | <b>\$30,614,447</b> | \$56,691,710 | \$52,075,481 | \$33,263,049 |
| Number of units outstanding <sup>(5)</sup>                      | <b>4,804,730</b>    | <b>1,919,675</b>    | 3,023,424    | 2,935,143    | 2,152,915    |
| Management expense ratio, including income taxes <sup>(6)</sup> | <b>0.17%</b>        | <b>0.31%</b>        | 0.24%        | 0.28%        | 0.28%        |
| Management expense ratio, excluding income taxes <sup>(6)</sup> | <b>0.31%</b>        | <b>0.31%</b>        | 0.24%        | 0.28%        | 0.28%        |
| Management expense ratio before absorptions <sup>(6)</sup>      | <b>0.17%</b>        | <b>0.31%</b>        | 0.24%        | 0.28%        | 0.28%        |
| Portfolio turnover rate <sup>(7)</sup>                          | <b>55.96%</b>       | <b>82.52%</b>       | 76.27%       | 50.33%       | 64.59%       |
| Trading expense ratio <sup>(8)</sup>                            | <b>0.28%</b>        | <b>0.33%</b>        | 0.33%        | 0.37%        | 0.22%        |
| Net asset value per unit  | <b>\$9.59</b>       | <b>\$15.95</b>      | \$18.75      | \$17.74      | \$15.45      |

- (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 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 2.00%, 1.25% and 0.65% 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 \$77,823 (year ended December 31, 2018 - \$83,686). Included in liabilities at December 31, 2019 is \$6,709 (December 31, 2018 - \$5,304) in respect of these fees.

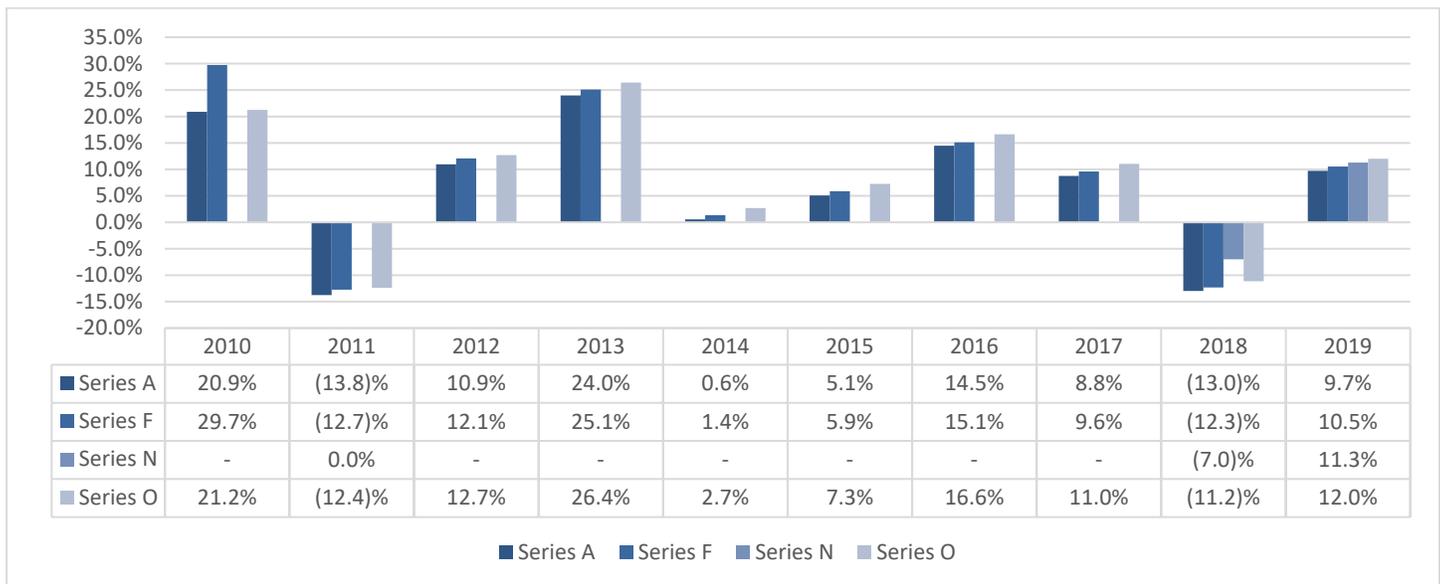
All management fees paid by Series F and N were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions. Of management fees paid on Series A, 50.00% were used to pay for trailing and other dealer sales commissions, the remaining 50.00% 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 31<sup>st</sup> of the fiscal year (except 2018 as noted below).



\*The rate of return for 2018 is for the year ended December 31, 2018 except for Series N, which is from February 6, 2018 to December 31, 2018.

**Annual Compound Returns**

|                              | Series A | Series F | Series N* | Series O | iShares S&P/TSX SmallCap Index ETF <sup>†</sup> |
|------------------------------|----------|----------|-----------|----------|---|
| 1 Year                       | 9.7%     | 10.5%    | 11.3%     | 12.0%    | 16.2%   |
| 3 Year                       | 1.3%     | 2.0%     | -         | 3.4%     | (0.8)%  |
| 5 Year                       | 4.6%     | 5.3%     | -         | 6.7%     | 3.2%  |
| Since Inception <sup>†</sup> | 6.2%     | -        | -         | -        | 2.4%  |
| Since Inception <sup>†</sup> | -        | 7.7%     | -         | -        | 2.8%  |
| Since Inception <sup>†</sup> | -        | -        | -         | 8.1%     | 2.3%  |
| Since Inception <sup>†</sup> | -        | -        | 1.8%      | -        | 0.4%  |

\*Since inception returns for Series A, Series F, and Series O, respectively are March 18, 2010, March 1, 2010, and March 17, 2010, respectively.

\*The since inception return for Series N, is from February 6, 2018 to December 31, 2018.

†The Fund benchmark was updated to the iShares S&P/TSX SmallCap Index ETF from the S&P/TSX Small Cap Total Return Index during the year. The performance, allocations and risk exposures of the two indices track closely over long period 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.

**SUMMARY OF INVESTMENT PORTFOLIO**

| <b>Sector Allocation</b>       | <b>% of Net Asset Value</b> |
|--------------------------------|-----------------------------|
| Financials                     | 19.9                        |
| Industrials                    | 14.1                        |
| Consumer Discretionary         | 12.0                        |
| Energy                         | 11.5                        |
| Information Technology         | 9.2                         |
| Real Estate                    | 7.1                         |
| Communication Services         | 7.1                         |
| Materials                      | 6.9                         |
| Consumer Staples               | 4.8                         |
| Cash                           | 3.2                         |
| Utilities                      | 2.9                         |
| Other net assets (liabilities) | 1.3                         |

| <b>Top 25 Holdings</b>                           | <b>% of Net Asset Value</b> |
|--|-----------------------------|
| Alaris Royalty Corp.                             | 4.4                         |
| Calian Group Ltd.                                | 4.3                         |
| Goeasy Ltd.                                      | 4.3                         |
| Cash   | 4.2                         |
| Chorus Aviation Inc.                             | 4.0                         |
| Computer Modelling Group Ltd.                    | 4.0                         |
| Cogeco Inc.                                      | 3.7                         |
| Constellation Software Inc.                      | 3.5                         |
| Corus Entertainment Inc.                         | 3.4                         |
| Northview Apartment Real Estate Investment Trust | 3.3                         |
| First National Financial Corp.                   | 3.2                         |
| Leon's Furniture Ltd.                            | 3.2                         |
| Intertape Polymer Group Inc.                     | 3.1                         |
| Boston Pizza Royalties Income Fund               | 3.1                         |
| Chesswood Group Ltd.                             | 3.0                         |
| Transcontinental Inc.                            | 3.0                         |
| Evertz Technologies Ltd.                         | 2.9                         |
| Caribbean Utilities Co., Ltd.                    | 2.9                         |
| Badger Daylighting Ltd.                          | 2.9                         |
| Absolute Software Corp.                          | 2.8                         |
| North West Co., Inc.                             | 2.6                         |
| Keg Royalties Income Fund                        | 2.6                         |
| Tamarack Valley Energy Ltd.                      | 2.6                         |
| Firm Capital Mortgage Investment Corp.           | 2.6                         |
| Birchcliff Energy Ltd.                           | 2.5                         |
| <b>Total Net Asset Value</b>                     | <b>\$ 51,958,078</b>        |

**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.