

This interim management report of fund performance contains financial highlights but does not contain either the interim or annual financial statements of the investment fund. You can get a copy of the interim or 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 interim 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 Balanced Fund (the "Fund") is to seek a balance of long-term capital appreciation and current income by investing in a Canadian focused portfolio of equities and fixed income instruments, diversified across investment styles and market capitalization, geographic regions, asset classes, and sectors.

The Fund utilizes a risk management framework focused on achieving long term growth while exhibiting lower volatility. Seeking to balance current income and long-term capital appreciation, the Fund invests in Canadian equities, global equities and investment grade fixed income assets. The portfolio is diversified across market capitalization, asset classes, sectors and geographic regions. This "one-stop" Fund offers diversified sources of ongoing income, preserves capital based on an institutional investment risk management process and provides lower volatility performance.

Risk

The overall and specific risks of investing in the Fund are as described in the Fund's Simplified Prospectus dated June 17, 2020. The risk rating of the Fund has increased from low to low-to-medium as a result of an increase in standard deviation of price and returns.

Results of Operations

The Fund's net assets decreased to \$186.8 million at June 30, 2020 from \$198.1 million at December 31, 2019. Total investment loss for the period ended June 30, 2020 was \$5.4 million (period ended June 30, 2019 - \$13.9 million income).

For the six months ending June 30, 2020, the Fund was down 3.1% (Series F), while the internal Blended Benchmark (50% iShares Core Canadian Universe Bond Index ETF, 35% iShares Core S&P/TSX Capped Composite Index ETF, 15% Vanguard Total World Stock ETF) was up 0.8%. The underperformance of 3.9% was predominantly a result of our negative security selection within the Canadian equity and Global equity asset classes.

The asset allocation of the Fund is determined by the Asset Mix Committee, who positions the portfolio strategically based on our economic and market outlook. The committee made two asset mix adjustment in the first half of 2020, decreasing the Fund's exposure to the Canadian fixed income allocation on two separate occasions, while increasing its exposure to both global equities and cash. This was a result of the committee's inclination to shift more of its equity exposure to the global equity regions, while also taking profits within the Canadian fixed income portion of the portfolio which has had strong performance of 7.0% year to date. The fund also rebalanced

its equity exposures on three separate occasions to remain in line with target exposures.

Recent Developments

The first half of 2020 has been fraught with challenges on a global scale which have significantly impacted the economic outlook. The COVID-19 pandemic brought economic activity to a halt in the first quarter, which carried through the majority of the second quarter. This slowdown in activity caused unemployment rates around the world reach unprecedented levels. Governments and global central banks have been confronting these challenges head on with significant economic stimulus. Incredibly, stock markets around the world have managed to recover a significant portion of the losses experienced in the first quarter, even though the economic recovery is in the very early stages. Risks that remain on the horizon for 2020 are plentiful, with the two primary risks being the U.S. election and the possible second wave of COVID-19 cases. With respect to the U.S. election, President Donald Trump and the Republican party were the favorites heading into 2020. However, their mishandling of the global pandemic and lack of leadership in addressing the protests for greater equality have caused the political pendulum to swing in favor of the Democratic party. A democratic victory could pose an economic threat based on a less fiscally supportive platform. The more significant risk to the economic and market outlook would be a second wave of COVID-19 cases which could potentially pause or reverse the progress in re-opening the global economy. Overall, we remain cautiously optimistic as the economy works through the current COVID-19 recession.

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 period ended June 30, 2020, the Fund incurred management fees payable to Matco of \$131,477 (period ended June 30, 2019 - \$160,343). Matco, at its discretion, absorbed \$nil (period ended June 30, 2019 - \$8,944) of expenses for the period ended June 30, 2020. 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. The Fund did not refer any related party transactions or conflict of interest matters to the IRC during the period ended June 30, 2020 or year ended December 31, 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 over the past 5 years and the recent period.

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

| SERIES A | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|--------------|---------------|--------------|--------------|--------------|
| Net assets, beginning of period/year ⁽¹⁾⁽²⁾ | 11.91 | 11.46 | 12.62 | 12.24 | 12.28 | 11.76 |
| Increase (decrease) from operations ^{(2):} | | | | | | |
| Total revenue | 0.10 | 0.42 | 0.24 | 0.28 | 0.30 | 0.28 |
| Total expenses | (0.11) | (0.23) | (0.24) | (0.25) | (0.23) | (0.25) |
| Net realized gains (losses) | 0.01 | 0.32 | 0.44 | 0.46 | 1.47 | 0.35 |
| Net unrealized gains (losses) | (0.21) | 0.46 | (0.98) | 0.35 | 0.23 | 0.15 |
| Total increase (decrease) from operations ^{(2):} | (0.21) | 0.97 | (0.54) | 0.84 | 1.77 | 0.53 |
| Distributions ^{(3):} | | | | | | |
| From net investment income (excluding dividends) | — | (0.20) | (0.04) | (0.03) | (0.03) | (0.02) |
| From dividends | — | (0.03) | (0.06) | (0.06) | (0.04) | (0.01) |
| From capital gains | — | (0.25) | (0.42) | (0.36) | (0.68) | — |
| Return of capital | — | — | — | — | — | — |
| Total distributions: | — | (0.48) | (0.52) | (0.45) | (0.75) | (0.03) |
| Net assets, end of period/year | 11.50 | 11.91 | 11.46 | 12.62 | 12.24 | 12.28 |

Ratios and Supplemental Data

| | | | | | | |
|--|------------------|------------------|-------------|-------------|-----------|-----------|
| Total net asset value ⁽⁴⁾⁽⁵⁾ | \$654,990 | \$972,068 | \$1,079,459 | \$1,546,799 | \$850,450 | \$333,709 |
| Number of units outstanding ⁽⁵⁾ | 56,941 | 81,586 | 94,166 | 122,545 | 69,474 | 27,186 |
| Management expense ratio ⁽⁶⁾ | 3.35% | 2.27% | 2.08% | 1.94% | 1.77% | 2.04% |
| Management expense ratio before absorptions ⁽⁶⁾ | 3.35% | 2.27% | 2.08% | 1.94% | 1.77% | 2.04% |
| Portfolio turnover rate ⁽⁷⁾ | 19.96% | 64.60% | 16.89% | 163.96% | 90.22% | 115.30% |
| Trading expense ratio ⁽⁸⁾ | 0.07% | 0.04% | 0.06% | 0.04% | 0.09% | 0.02% |
| Net asset value per unit | \$11.50 | \$11.91 | \$11.46 | \$12.62 | \$12.24 | \$12.28 |

| SERIES F | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|--------------|---------------|--------------|--------------|--------------|
| Net assets, beginning of period/year ⁽¹⁾⁽²⁾ | 11.89 | 11.33 | 12.41 | 12.01 | 12.05 | 11.58 |
| Increase (decrease) from operations ^{(2):} | | | | | | |
| Total revenue | 0.10 | 0.39 | 0.25 | 0.28 | 0.28 | 0.31 |
| Total expenses | (0.06) | (0.14) | (0.14) | (0.15) | (0.15) | (0.14) |
| Net realized gains (losses) | 0.01 | 0.31 | 0.41 | 0.45 | 0.93 | 0.28 |
| Net unrealized gains (losses) | (0.50) | 0.57 | (1.07) | 0.32 | (0.19) | 0.18 |
| Total increase (decrease) from operations ^{(2):} | (0.45) | 1.13 | (0.55) | 0.90 | 0.87 | 0.63 |
| Distributions ^{(3):} | | | | | | |
| From net investment income (excluding dividends) | (0.02) | (0.23) | (0.06) | (0.06) | (0.09) | (0.12) |
| From dividends | (0.01) | (0.04) | (0.08) | (0.09) | (0.07) | (0.06) |
| From capital gains | — | (0.25) | (0.42) | (0.36) | (0.17) | — |
| Return of capital | — | — | — | — | — | — |
| Total distributions: | (0.03) | (0.52) | (0.56) | (0.51) | (0.87) | (0.18) |
| Net assets, end of period/year | 11.49 | 11.89 | 11.33 | 12.41 | 12.01 | 12.05 |

Ratios and Supplemental Data

| | | | | | | |
|--|---------------------|---------------------|--------------|--------------|--------------|--------------|
| Total net asset value ⁽⁴⁾⁽⁵⁾ | \$24,914,076 | \$26,318,234 | \$31,587,973 | \$35,213,129 | \$31,964,542 | \$25,650,175 |
| Number of units outstanding ⁽⁵⁾ | 2,168,782 | 2,213,729 | 2,787,130 | 2,836,378 | 2,662,585 | 2,128,089 |
| Management expense ratio ⁽⁶⁾ | 2.62% | 1.53% | 1.33% | 1.15% | 1.17% | 1.19% |
| Management expense ratio before absorptions ⁽⁶⁾ | 2.62% | 1.53% | 1.33% | 1.15% | 1.17% | 1.18% |
| Portfolio turnover rate ⁽⁷⁾ | 19.96% | 64.60% | 16.89% | 163.96% | 90.22% | 115.30% |
| Trading expense ratio ⁽⁸⁾ | 0.07% | 0.04% | 0.06% | 0.04% | 0.09% | 0.02% |
| Net asset value per unit | \$11.49 | \$11.89 | \$11.33 | \$12.41 | \$12.01 | \$12.05 |

Interim Management Report of Fund Performance
For the Period Ended June 30, 2020

MATCO BALANCED FUND

| SERIES N | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|
| Net assets, beginning of period/year⁽¹⁾⁽²⁾ | — | 9.16 | — |
| Increase (decrease) from operations^{(2):} | | | |
| Total revenue | — | 0.34 | 3.23 |
| Total expenses | — | (0.05) | (0.04) |
| Net realized gains (losses) | — | 0.26 | 0.03 |
| Net unrealized gains (losses) | — | 0.43 | (3.22) |
| Total increase (decrease) from operations^{(2):} | — | 0.98 | — |
| Distributions^{(3):} | | | |
| From net investment income (excluding dividends) | — | (0.25) | (0.14) |
| From dividends | — | (0.03) | (0.08) |
| From capital gains | — | (0.20) | (0.34) |
| Return of capital | — | — | — |
| Total distributions: | — | (0.48) | (0.56) |
| Net assets, end of period/year | — | — | 9.16 |
| Ratios and Supplemental Data | | | |
| Total net asset value ⁽⁴⁾⁽⁵⁾ | \$— | \$— | \$1,383 |
| Number of units outstanding ⁽⁵⁾ | — | — | 151 |
| Management expense ratio ⁽⁶⁾ | — | 0.90% | 0.74% |
| Management expense ratio before absorptions ⁽⁶⁾ | — | 1,325.93% | 9,342.18% |
| Portfolio turnover rate ⁽⁷⁾ | — | 64.60% | 16.89% |
| Trading expense ratio ⁽⁸⁾ | — | 0.04% | 0.06% |
| Net asset value per unit | \$— | \$— | \$9.16 |

| SERIES O | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Net assets, beginning of period/year⁽¹⁾⁽²⁾ | 11.46 | 11.32 | 12.38 | 11.96 | 12.00 | 11.53 |
| Increase (decrease) from operations^{(2):} | | | | | | |
| Total revenue | 0.11 | 0.42 | 0.25 | 0.28 | 0.29 | 0.30 |
| Total expenses | (0.01) | (0.01) | (0.01) | (0.02) | (0.03) | (0.02) |
| Net realized gains (losses) | 0.01 | 0.33 | 0.42 | 0.45 | 0.92 | 0.28 |
| Net unrealized gains (losses) | (0.44) | 0.43 | (1.07) | 0.33 | (0.22) | 0.16 |
| Total increase (decrease) from operations^{(2):} | (0.33) | 1.17 | (0.41) | 1.04 | 0.96 | 0.72 |
| Distributions^{(3):} | | | | | | |
| From net investment income (excluding dividends) | (0.07) | (0.35) | (0.15) | (0.14) | (0.17) | (0.20) |
| From dividends | (0.02) | (0.05) | (0.10) | (0.13) | (0.11) | (0.10) |
| From capital gains | — | (0.25) | (0.42) | (0.36) | (0.70) | — |
| Return of capital | — | — | — | — | — | — |
| Total distributions: | (0.09) | (0.65) | (0.67) | (0.63) | (0.98) | (0.30) |
| Net assets, end of period/year | 11.46 | 11.87 | 11.32 | 12.38 | 11.96 | 12.00 |
| Ratios and Supplemental Data | | | | | | |
| Total net asset value ⁽⁴⁾⁽⁵⁾ | \$161,262,926 | \$170,761,593 | \$141,713,687 | \$162,253,865 | \$137,811,616 | \$105,419,856 |
| Number of units outstanding ⁽⁵⁾ | 14,068,766 | 14,390,522 | 12,523,886 | 13,105,062 | 11,521,788 | 8,781,664 |
| Management expense ratio ⁽⁶⁾ | 1.57% | 0.48% | 0.28% | 0.10% | 0.12% | 0.13% |
| Management expense ratio before absorptions ⁽⁶⁾ | 1.57% | 0.48% | 0.28% | 0.10% | 0.12% | 0.13% |
| Portfolio turnover rate ⁽⁷⁾ | 19.96% | 64.60% | 16.89% | 163.96% | 90.22% | 115.30% |
| Trading expense ratio ⁽⁸⁾ | 0.07% | 0.04% | 0.06% | 0.04% | 0.09% | 0.02% |
| Net asset value per unit | \$11.46 | \$11.87 | \$11.32 | \$12.38 | \$11.96 | \$12.00 |

(1) This information is derived from the Fund's audited annual financial statements and unaudited semi-annual financial statements. Per unit 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 units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash/reinvested in additional units 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 June 30, 2020 which is for the period then ended. 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 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 period ended June 30, 2020, management fees totaled \$131,477 (period ended June 30, 2019 - \$160,343). Included in liabilities at June 30, 2020 is \$22,538 (December 31, 2019 - \$24,892) in respect of these fees.

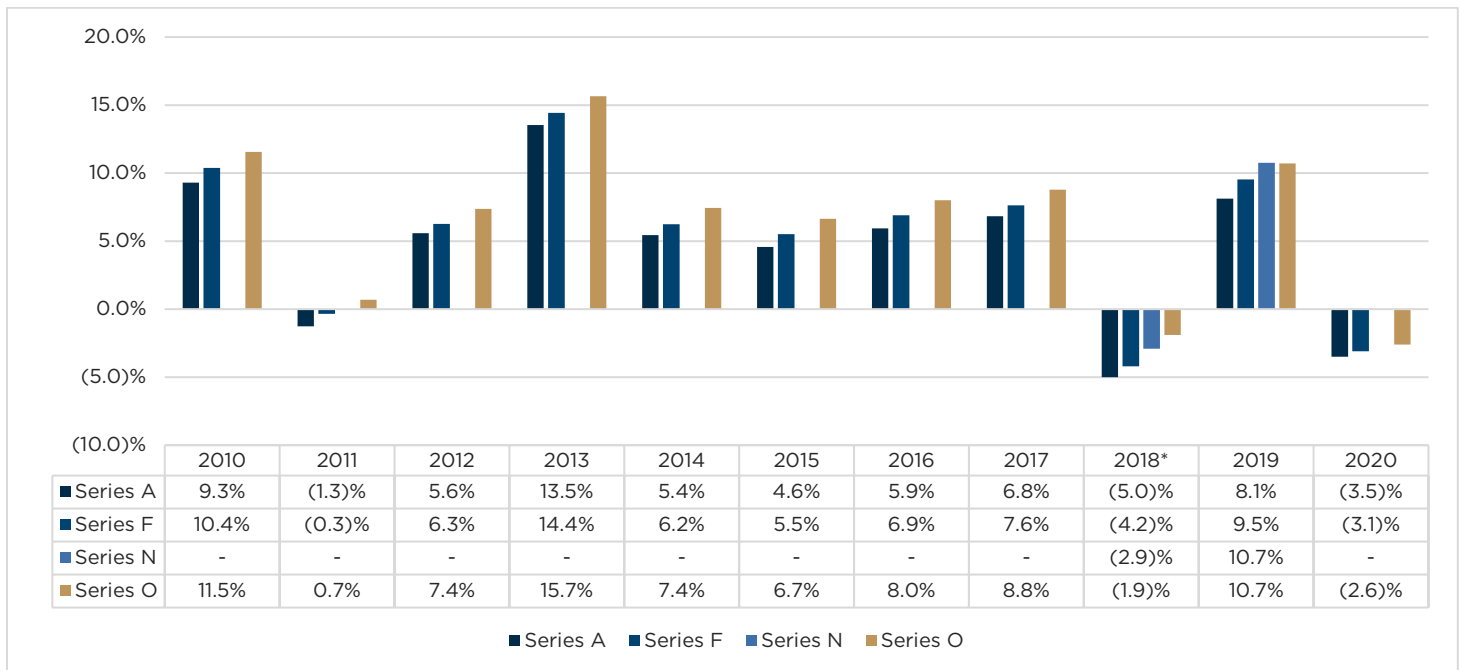
All management fees paid by Series F and N were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions. Of management fees paid on Series A, 57.14% were used 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) or June 30, 2020.



*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 O | Blended Benchmark* |
|---------|----------|----------|----------|--------------------|
| 1 Year | (1.6)% | (0.9)% | 0.2% | 4.0% |
| 3 Year | 1.6% | 2.5% | 4.1% | 5.1% |
| 5 Year | 2.7% | 3.5% | 4.9% | 4.8% |
| 10 year | 5.0% | 5.8% | 7.1% | 6.2% |

*The Blended Benchmark consists of: 50% iShares Core Canadian Universe Bond Index, 35% iShares Core S&P/TSX Capped Composite Index, and 15% Vanguard Total World Index ETF.

SUMMARY OF INVESTMENT PORTFOLIO

| Sector Allocation | % of Net Asset Value |
|--------------------------------|-----------------------------|
| Fixed Income | 39.2 |
| Canadian Equity | 30.1 |
| Global Equity | 26.0 |
| Cash | 4.7 |
| Other Net Assets (Liabilities) | 0.0 |

| Top Holdings* | % of Net Asset Value |
|--------------------------------------|-----------------------------|
| Matco Fixed Income Fund, Series O | 39.2 |
| Matco Canadian Equity Fund, Series O | 20.7 |
| Matco Global Equity Fund, Series O | 26.0 |
| Matco Small Cap Fund, Series O | 9.4 |
| Cash | 4.7 |
| Other Net Assets (Liabilities) | 0.0 |

| | |
|------------------------------|-----------------------|
| Total Net Asset Value | \$ 186,831,992 |
|------------------------------|-----------------------|

*The top 25 positions are required to be disclosed in the Summary of Investment Portfolio. As at the reporting date, the Fund held fewer than 25 positions. All positions are therefore presented.

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.