

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](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 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 Canadian Equity Income 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 17, 2020. The risk rating of the Fund has increased from low-to-medium to medium as a result of an increase in standard deviation of price and returns.

### Results of Operations

For the six months ended June 30, 2020, The Fund (Series F) returned -14.8%, underperforming the iShares Core S&P/TSX Capped Composite Index ETF (the "Benchmark") which returned -7.4%. The Fund has underperformed, as a result of not owning Shopify and its significant overweight in financial and communication sectors. Despite the attractive valuations and high dividend yields for these companies, they continue to be out of favour for investors. We will continue to hold on to these positions since, we believe that investors will rotate out of high valuation companies into these sectors in the coming quarters.

During the second quarter the Fund was up 14.2% (Series F) versus its Benchmark at 16.9%. The Fund underperformed due to its defensive positioning underweight both the energy and gold sectors which experienced sharp rallies.

In 2019, Canadian equities delivered their best performance since 2009, but this was followed by extreme volatility in the first quarter of 2020. Canada was hit with a one-two punch, the coronavirus and an oil shock. Canada was not immune to the coronavirus, as every sector experienced negative returns. The energy sector was the worst performing sector, as oil prices declined to levels not seen since 2002. The decline in oil prices was dramatic, as traders priced in increased supply and decreased demand. Saudi Arabia decided to increase production after negotiations on production cuts failed with Russia. At the same time, consumers were in lockdown, as the World Health Organization declared the coronavirus a pandemic. Throughout this volatility and after four consecutive quarters of positive performance, the Fund (Series F) was down 25.3% in the first quarter.

In January, the Fund reduced its exposure to the energy sector by exiting its positions in Canadian Natural Resources Ltd. and Enerplus Corp. The Fund's remaining exposure to the energy sector is a position in Gibson Energy Inc., an oil focused infrastructure company with assets that include pipelines and storage facilities. Additionally, the Fund exited its positions in Acreage Holdings Inc. and Harvest Health & Recreation Inc. to eliminate its cannabis exposure. Sale proceeds were rotated into BRP Inc., a manufacturer of recreational products. In March, the Fund exited its position in Cineplex Inc. after the pending acquisition by Cineworld Group was jeopardized by ongoing concerns over the coronavirus. Sale proceeds were rotated into Cascades Inc., a manufacturer of containerboard, boxboard, specialty products and tissue paper.

During the second quarter the Fund sold its positions in BRP Inc., a manufacturer of recreational products, and Chorus Aviation Inc, which provides aviation services to airlines, due to deteriorating fundamentals and dividend suspensions. In its place, the Fund purchased Canadian National Railway and Northland Power Inc, both of which have improving fundamentals on an economic recovery.

The Fund earned investment income from dividends of \$1.8 million (period ended June 30, 2019 - \$1.9 million) and provided a decrease in net assets attributable to holders of redeemable shares of \$13.1 million (period ended June 30, 2019 - \$9.7 million increase) for the period ended June 30, 2020. As a result of the prior tax structure, the Matco Funds Corp., the Fund incurred tax expense of \$276,130 (period ended June 30, 2019 - \$nil) during the period ended June 30, 2020.

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 Fund has underperformed, as a result of not owning Shopify and its significant overweight in financial and communication sectors. Despite the attractive valuations and high dividend yields for these companies, they continue to be out of favour for investors. We will continue to hold on to these positions since, we believe that investors will rotate out of high valuation companies into these sectors in the coming quarters.

The investment team's long-term investment outlook has not changed, we expect earnings to increase in the second of the year and given that earnings growth has a positive correlation to equity prices; we expect positive equity returns in Canada for the year.

The situation regarding a second wave of COVID cases is dynamic with various cities and countries around the world responding in different ways to address the second 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 period ended June 30, 2020, the Fund incurred management fees payable to Matco of \$20,303 (period ended June 30, 2019 - \$34,479). Matco, at its discretion, absorbed \$nil (period ended June 30, 2019 - \$8,787) 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. 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 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 five years and the recent period.

**The Fund's Net Assets per Unit** <sup>(1)(2)(3)(4)</sup>

<b>SERIES A</b>	<b>2020</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>	10.26	9.44	11.47	11.08	9.97	10.58
<b>Increase (decrease) from operations</b> <sup>(2):</sup>						
Total revenue	0.21	0.69	0.40	0.37	0.31	0.33
Total expenses	(0.14)	(0.27)	(0.30)	(0.23)	(0.22)	(0.22)
Net realized gains (losses)	(0.92)	0.02	0.62	0.56	0.56	0.45
Net unrealized gains (losses)	(0.69)	1.24	(2.08)	0.20	0.14	(0.83)
<b>Total increase (decrease) from operations</b> <sup>(2):</sup>	<b>(1.54)</b>	<b>1.68</b>	<b>(1.36)</b>	<b>0.90</b>	<b>0.79</b>	<b>(0.27)</b>
<b>Distributions</b> <sup>(3):</sup>						
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)
<b>Net assets, end of period/year</b>	<b>8.71</b>	<b>10.26</b>	<b>9.44</b>	<b>11.47</b>	<b>11.08</b>	<b>9.97</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	<b>\$58,030</b>	<b>\$72,881</b>	\$71,167	\$130,255	\$136,831	\$353,302
Number of shares outstanding <sup>(5)</sup>	<b>6,661</b>	<b>7,104</b>	7,540	11,357	12,351	35,444
Management expense ratio, including income taxes <sup>(6)</sup>	<b>2.80%</b>	<b>2.08%</b>	1.96%	1.96%	1.96%	1.93%
Management expense ratio, excluding income taxes <sup>(6)</sup>	<b>2.06%</b>	<b>1.97%</b>	1.96%	1.96%	1.96%	1.93%
Management expense ratio before absorptions <sup>(6)</sup>	<b>2.80%</b>	<b>2.08%</b>	1.96%	1.96%	1.96%	1.93%
Portfolio turnover rate <sup>(7)</sup>	<b>32.04%</b>	<b>51.65%</b>	53.68%	49.80%	64.31%	61.14%
Trading expense ratio <sup>(8)</sup>	<b>0.13%</b>	<b>0.09%</b>	0.12%	0.12%	0.13%	0.09%
Net asset value per share	<b>\$8.71</b>	<b>\$10.26</b>	\$9.44	\$11.47	\$11.08	\$9.97

<b>SERIES F</b>	<b>2020</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>	10.28	9.99	12.05	11.55	10.32	10.88
<b>Increase (decrease) from operations</b> <sup>(2):</sup>						
Total revenue	0.22	0.70	0.40	0.39	0.33	0.34
Total expenses	(0.10)	(0.18)	(0.19)	(0.16)	(0.15)	(0.15)
Net realized gains (losses)	(0.96)	0.02	0.89	0.58	0.64	0.39
Net unrealized gains (losses)	(0.66)	1.28	(2.42)	0.25	0.67	(0.83)
<b>Total increase (decrease) from operations</b> <sup>(2):</sup>	<b>(1.50)</b>	<b>1.82</b>	<b>(1.32)</b>	<b>1.06</b>	<b>1.49</b>	<b>(0.25)</b>
<b>Distributions</b> <sup>(3):</sup>						
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)
<b>Net assets, end of period/year</b>	<b>10.28</b>	<b>9.99</b>	<b>12.05</b>	<b>11.55</b>	<b>11.55</b>	<b>10.32</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	<b>\$3,513,574</b>	<b>\$4,930,883</b>	\$7,809,396	\$23,584,776	\$21,019,238	\$18,450,291
Number of shares outstanding <sup>(5)</sup>	<b>401,096</b>	<b>479,755</b>	781,596	1,956,976	1,819,627	1,787,022
Management expense ratio, including income taxes <sup>(6)</sup>	<b>2.01%</b>	<b>1.33%</b>	1.22%	1.20%	1.21%	1.26%
Management expense ratio, excluding income taxes <sup>(6)</sup>	<b>1.27%</b>	<b>1.22%</b>	1.22%	1.20%	1.21%	1.26%
Management expense ratio before absorptions <sup>(6)</sup>	<b>2.01%</b>	<b>1.33%</b>	1.22%	1.20%	1.21%	1.26%
Portfolio turnover rate <sup>(7)</sup>	<b>32.04%</b>	<b>51.65%</b>	53.68%	49.80%	64.31%	61.14%
Trading expense ratio <sup>(8)</sup>	<b>0.13%</b>	<b>0.09%</b>	0.12%	0.12%	0.13%	0.09%
Net asset value per share	<b>\$8.76</b>	<b>\$10.28</b>	\$9.99	\$12.05	\$11.55	\$10.32

<b>SERIES N</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Net assets, beginning of period/year<sup>(1)(2)</sup></b>	—	8.56	—
<b>Increase (decrease) from operations<sup>(2)</sup>:</b>			
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
<b>Total increase (decrease) from operations<sup>(2)</sup>:</b>	<b>—</b>	<b>1.78</b>	<b>(0.45)</b>
<b>Distributions<sup>(3)</sup>:</b>			
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)
<b>Net assets, end of period/year</b>	<b>—</b>	<b>—</b>	<b>8.56</b>
<b>Ratios and Supplemental Data</b>			
Total net asset value <sup>(4)(5)</sup>	\$—	\$—	\$1,293
Number of shares outstanding <sup>(5)</sup>	—	—	151
Management expense ratio, including income taxes <sup>(6)</sup>	—	0.70%	0.62%
Management expense ratio, excluding income taxes <sup>(6)</sup>	—	0.56%	0.62%
Management expense ratio before absorptions <sup>(6)</sup>	—	1,384.48%	7,962.49%
Portfolio turnover rate <sup>(7)</sup>	—	51.65%	53.68%
Trading expense ratio <sup>(8)</sup>	—	0.09%	0.12%
Net asset value per share	—	\$—	\$8.56

<b>SERIES O</b>	<b>2020</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>	10.28	11.64	13.89	13.19	11.66	12.16
<b>Increase (decrease) from operations<sup>(2)</sup>:</b>						
Total revenue	0.21	0.69	0.51	0.46	0.37	0.39
Total expenses	(0.05)	(0.04)	(0.03)	(0.04)	(0.04)	(0.04)
Net realized gains (losses)	(0.94)	0.02	0.49	0.66	0.72	0.15
Net unrealized gains (losses)	(0.80)	1.07	(2.72)	0.40	0.97	(0.74)
<b>Total increase (decrease) from operations<sup>(2)</sup>:</b>	<b>(1.58)</b>	<b>1.74</b>	<b>(1.75)</b>	<b>1.48</b>	<b>2.02</b>	<b>(0.24)</b>
<b>Distributions<sup>(3)</sup>:</b>						
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)
<b>Net assets, end of period/year</b>	<b>8.80</b>	<b>10.28</b>	<b>11.64</b>	<b>13.89</b>	<b>13.19</b>	<b>11.66</b>
<b>Ratios and Supplemental Data</b>						
Total net asset value <sup>(4)(5)</sup>	\$65,204,693	\$82,799,523	\$67,829,516	\$79,825,309	\$63,968,584	\$38,114,403
Number of shares outstanding <sup>(5)</sup>	7,406,344	8,058,012	5,827,929	5,747,073	4,851,116	3,267,908
Management expense ratio, including income taxes <sup>(6)</sup>	0.97%	0.28%	0.17%	0.15%	0.16%	0.20%
Management expense ratio, excluding income taxes <sup>(6)</sup>	0.23%	0.17%	0.17%	0.15%	0.16%	0.20%
Management expense ratio before absorptions <sup>(6)</sup>	0.97%	0.28%	0.17%	0.15%	0.16%	0.20%
Portfolio turnover rate <sup>(7)</sup>	32.04%	51.65%	53.68%	49.80%	64.31%	61.14%
Trading expense ratio <sup>(8)</sup>	0.13%	0.09%	0.12%	0.12%	0.13%	0.09%
Net asset value per share	\$8.80	\$10.28	\$11.64	\$13.89	\$13.19	\$11.66

(1) This information is derived from the Fund's audited annual financial statements and unaudited semi-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 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 \$20,303 (period ended June 30, 2019 - \$34,479). Included in liabilities at June 30, 2020 is \$3,127 (June 30, 2019 - \$5,079) in respect of these fees.

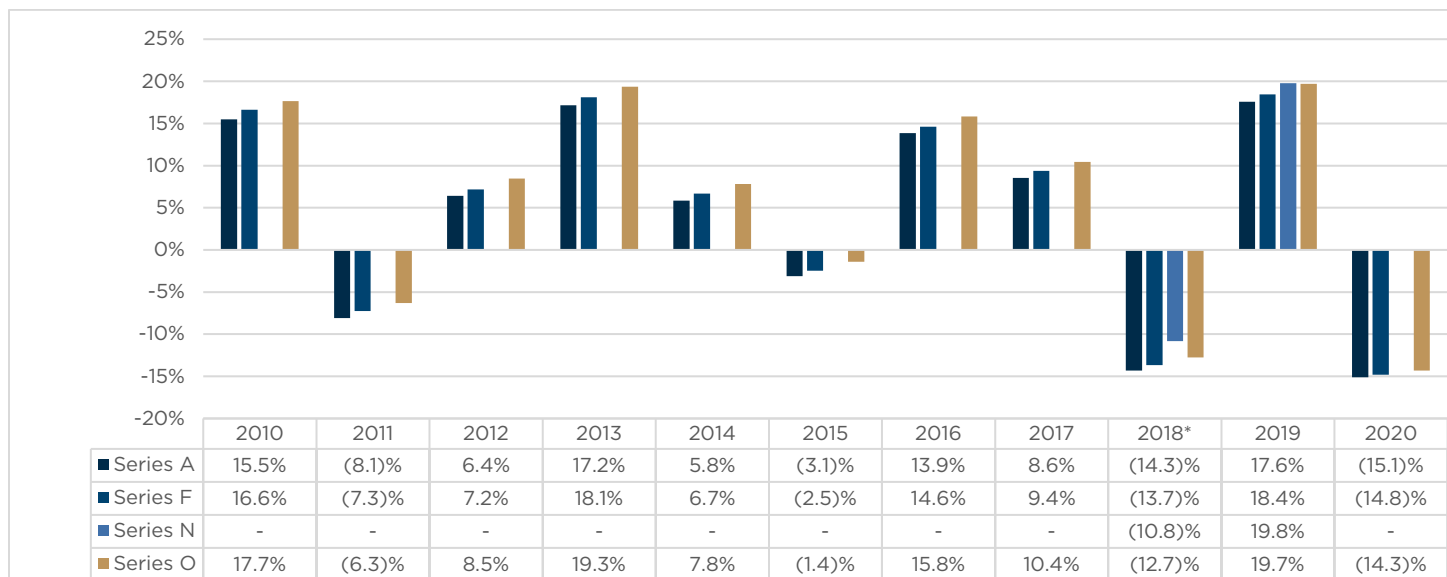
All management fees paid by Series F and N were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions. Of management fees paid on Series A, 57.14% were used 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 31<sup>st</sup> of the fiscal year (except 2018 as noted below) or through 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	Benchmark*
1 Year	(10.8)%	(10.1)%	(9.1)%	(2.1)%
3 Year	(1.8)%	(1.0)%	0.0%	3.9%
5 Year	0.2%	1.0%	2.0%	4.4%
10 Year	3.8%	4.6%	5.7%	6.2%

\*The Benchmark of the Fund is the iShares Core S&P/TSX Capped Composite Index ETF.

**SUMMARY OF INVESTMENT PORTFOLIO**

<b>Sector Allocation</b>	<b>% of Net Asset Value</b>
Financials	34.8
Materials	14.0
Industrials	13.6
Communication Services	8.2
Consumer Discretionary	7.1
Consumer Staples	6.8
Information Technology	6.3
Utilities	3.6
Energy	3.2
Cash	1.6
Other net assets (liabilities)	0.8

<b>Top 25 Holdings</b>	<b>% of Net Asset Value</b>
Canadian Pacific Railway Ltd.	4.2%
Kirkland Lake Gold Ltd.	4.2%
Constellation Software Inc.	3.9%
Quebecor Inc.	3.9%
Alaris Royalty Corp.	3.8%
Labrador Iron Ore Royalty Corp.	3.7%
Metro Inc.	3.7%
Northland Power Inc.	3.6%
Canadian Imperial Bank of Commerce	3.5%
Royal Bank of Canada	3.5%
Cascades Inc.	3.4%
Canadian National Railway Co.	3.4%
Canadian Western Bank	3.3%
Genworth MI Canada Inc.	3.3%
Great-West Lifeco Inc.	3.3%
TFI International Inc.	3.3%
Gibson Energy Inc.	3.2%
Dollarama Inc.	3.2%
First National Financial Corp.	3.2%
National Bank of Canada	3.1%
North West Co Inc.	3.1%
CI Financial Corp.	2.9%
BCE Inc.	2.9%
Cogeco Inc.	2.8%
Intertape Polymer Group Inc.	2.7%

<b>Total Net Asset Value</b>	<b>\$68,776,297</b>
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**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.