

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 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 11, 2021. 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

The Fund's net assets increased to \$214.1 million at June 30, 2021 from \$198.7 million at December 31, 2020. Total investment gain for the period ended June 30, 2021 was \$15.6 million (period ended June 30, 2020 - \$5.4 million loss).

The outperformance is a result of the Fund's overweight in equities, which have performed very well in the first two quarters of the year. More specifically, the Fund's underweight in fixed income contributed approximately 0.5% of the outperformance, while the strong performance in the Canadian equity and Global equity asset classes contributed the additional 1.0%. The Fund's risk and volatility is also within our desired long-term range. Overall, this is a strong performance result for the first half of 2021 and reinforces our current positioning within the Fund as we enter the early stages of the next economic expansion.

The Matco investment team focuses on staying ahead of the curve as much as possible, and as a result was positioning the Fund for 2021 well before the beginning of the year. Matco's Asset Mix Committee is responsible for setting the Fund's target asset mix, and is focused on maintaining a growth tilt in the portfolio, favoring equities over fixed income. Underlying positioning themes within those asset classes are to favor cyclical exposures over defensive sectors and smaller companies over larger companies. The only activities in the Balanced Fund in the second quarter were two rebalancing trades, which kept the Fund's positioning in line with our portfolio targets and asset mix.

## Recent Developments

As we embarked on 2021, our primary investment themes were the following: favor equities over fixed income, favor cyclical sectors over defensive sectors, favor small companies over large companies and favor the rest of the world over the U.S. Through the first half of the year, our primary investment themes have led us to the proper portfolio positioning, lending to strong investment results. The foundation of our investment thesis is that we are in the early stages of the next long term economic expansion, where the corporate earnings recovery will continue, and broader economic growth will remain strong. Notable developments beyond these foundational themes have been the continued progress on the global vaccination front, North American central banks reconfirming their commitment to maintain easy monetary policy and governments continuing with fiscal stimulus. These developments have further reinforced our investment thesis. Corporate earnings growth was anticipated to be 18% in the U.S. and 26% in Canada at the beginning of the year. Consensus expectations have improved by 20% and 18% in both Canada and the U.S. respectively, which is a positive signal for the equity market outlook. However, these positive earnings revisions in 2021 have been at the expense of the corporate earnings expectations for 2022. We are watching this development closely, as the lowering of earnings expectations for 2022 may mean more modest returns next year. This will emphasize the importance of focusing on investment fundamentals and taking a patient approach as we head into 2022. Although the economic and investment landscape remains positive, we are cognizant that the path of least resistance is also susceptible to the occasional detour. Within that context, we have a positive outlook for the remainder of the year but are mindful that equity markets are expensive relative to historical norms. As always, our goal is to protect and grow our Balanced Fund unitholders' capital without exposing the portfolio to unnecessary risks.

## 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, 2021, the Fund incurred management fees payable to Matco of \$118,275 (period ended June 30, 2020 - \$131,477). Matco, at its discretion, absorbed \$625 (period ended June 30, 2020 - \$nil) of expenses for the period ended June 30, 2021. 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, 2021 or year ended December 31, 2020.

**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** <sup>(1)(2)(3)(4)</sup>

<b>SERIES A</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Net assets, beginning of period/year</b> <sup>(1)(2)</sup>	12.57	11.91	11.46	12.62	12.24	12.28
<b>Increase (decrease) from operations</b> <sup>(2):</sup>						
Total revenue	0.15	0.21	0.42	0.24	0.28	0.30
Total expenses	(0.12)	(0.22)	(0.23)	(0.24)	(0.25)	(0.23)
Net realized gains (losses)	0.07	0.09	0.32	0.44	0.46	1.47
Net unrealized gains (losses)	0.75	0.67	0.46	(0.98)	0.35	0.23
<b>Total increase (decrease) from operations</b> <sup>(2):</sup>	<b>0.85</b>	<b>0.75</b>	<b>0.97</b>	<b>(0.54)</b>	<b>0.84</b>	<b>1.77</b>
<b>Distributions</b> <sup>(3):</sup>						
From net investment income (excluding dividends)	(0.01)	(0.01)	(0.20)	(0.04)	(0.03)	(0.03)
From dividends	(0.01)	—	(0.03)	(0.06)	(0.06)	(0.04)
From capital gains	—	—	(0.25)	(0.42)	(0.36)	(0.68)
Total distributions:	(0.02)	(0.01)	(0.48)	(0.52)	(0.45)	(0.75)
<b>Net assets, end of period/year</b>	<b>13.40</b>	<b>12.57</b>	<b>11.91</b>	<b>11.46</b>	<b>12.62</b>	<b>12.24</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	\$731,118	\$694,816	\$972,068	\$1,079,459	\$1,546,799	\$850,450
Number of units outstanding <sup>(5)</sup>	54,548	55,258	81,586	94,166	122,545	69,474
Management expense ratio <sup>(6)</sup>	1.98%	2.08%	2.27%	2.08%	1.94%	1.77%
Management expense ratio before absorptions <sup>(6)</sup>	1.98%	2.09%	2.27%	2.08%	1.94%	1.77%
Portfolio turnover rate <sup>(7)</sup>	2.98%	31.24%	64.60%	16.89%	163.96%	90.22%
Trading expense ratio <sup>(8)</sup>	0.03%	0.07%	0.04%	0.06%	0.04%	0.09%
Net asset value per unit	\$13.40	\$12.57	\$11.91	\$11.46	\$12.62	\$12.24

<b>SERIES F</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Net assets, beginning of period/year</b> <sup>(1)(2)</sup>	12.56	11.89	12.41	12.01	12.05	11.58
<b>Increase (decrease) from operations</b> <sup>(2):</sup>						
Total revenue	0.14	0.22	0.39	0.25	0.28	0.28
Total expenses	(0.07)	(0.13)	(0.14)	(0.14)	(0.15)	(0.15)
Net realized gains (losses)	0.07	0.09	0.31	0.41	0.45	0.93
Net unrealized gains (losses)	0.75	0.47	0.57	(1.07)	0.32	(0.19)
<b>Total increase (decrease) from operations</b> <sup>(2):</sup>	<b>0.89</b>	<b>0.65</b>	<b>1.13</b>	<b>(0.55)</b>	<b>0.90</b>	<b>0.87</b>
<b>Distributions</b> <sup>(3):</sup>						
From net investment income (excluding dividends)	(0.02)	(0.06)	(0.23)	(0.06)	(0.06)	(0.09)
From dividends	(0.03)	(0.02)	(0.04)	(0.08)	(0.09)	(0.07)
From capital gains	—	—	(0.25)	(0.42)	(0.36)	(0.17)
Total distributions:	(0.05)	(0.08)	(0.52)	(0.56)	(0.51)	(0.87)
<b>Net assets, end of period/year</b>	<b>13.40</b>	<b>12.56</b>	<b>11.89</b>	<b>11.33</b>	<b>12.41</b>	<b>12.01</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	\$20,487,194	\$25,916,670	\$26,318,234	\$31,587,973	\$35,213,129	\$31,964,542
Number of units outstanding <sup>(5)</sup>	1,528,635	2,062,769	2,213,729	2,787,130	2,836,378	2,662,585
Management expense ratio <sup>(6)</sup>	1.25%	1.35%	1.53%	1.33%	1.15%	1.17%
Management expense ratio before absorptions <sup>(6)</sup>	1.25%	1.35%	1.53%	1.33%	1.15%	1.17%
Portfolio turnover rate <sup>(7)</sup>	2.98%	31.24%	64.60%	16.89%	163.96%	90.22%
Trading expense ratio <sup>(8)</sup>	0.03%	0.07%	0.04%	0.06%	0.04%	0.09%
Net asset value per unit	\$13.40	\$12.56	\$11.89	\$11.33	\$12.41	\$12.01

Interim Management Report of Fund Performance  
For the Period Ended June 30, 2021

**MATCO BALANCED FUND**

<b>SERIES N</b>	<b>2019</b>	<b>2018</b>
<b>Net assets, beginning of period/year<sup>(1)(2)</sup></b>	9.16	—
<b>Increase (decrease) from operations<sup>(2)</sup>:</b>		
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)
<b>Total increase (decrease) from operations<sup>(2)</sup>:</b>	<b>0.98</b>	<b>—</b>
<b>Distributions<sup>(3)</sup>:</b>		
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)
<b>Net assets, end of period/year</b>	<b>—</b>	<b>9.16</b>
<b>Ratios and Supplemental Data</b>		
Total net asset value <sup>(4)(5)</sup>	\$—	\$1,383
Number of units outstanding <sup>(5)</sup>	—	151
Management expense ratio <sup>(6)</sup>	0.90%	0.74%
Management expense ratio before absorptions <sup>(6)</sup>	1,325.93%	9,342.18%
Portfolio turnover rate <sup>(7)</sup>	64.60%	16.89%
Trading expense ratio <sup>(8)</sup>	0.04%	0.06%
Net asset value per unit	\$—	\$9.16

<b>SERIES O</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Net assets, beginning of period/year<sup>(1)(2)</sup></b>	12.54	11.87	11.32	12.38	11.96	12.00
<b>Increase (decrease) from operations<sup>(2)</sup>:</b>						
Total revenue	0.15	0.22	0.42	0.25	0.28	0.29
Total expenses	-	(0.01)	(0.01)	(0.01)	(0.02)	(0.03)
Net realized gains (losses)	0.07	0.10	0.33	0.42	0.45	0.92
Net unrealized gains (losses)	0.75	0.55	0.43	(1.07)	0.33	(0.22)
<b>Total increase (decrease) from operations<sup>(2)</sup>:</b>	<b>0.97</b>	<b>0.86</b>	<b>1.17</b>	<b>(0.41)</b>	<b>1.04</b>	<b>0.96</b>
<b>Distributions<sup>(3)</sup>:</b>						
From net investment income (excluding dividends)	(0.05)	(0.16)	(0.35)	(0.15)	(0.14)	(0.17)
From dividends	(0.07)	(0.05)	(0.05)	(0.10)	(0.13)	(0.11)
From capital gains	—	—	(0.25)	(0.42)	(0.36)	(0.70)
Total distributions:	(0.11)	(0.21)	(0.65)	(0.67)	(0.63)	(0.98)
<b>Net assets, end of period/year</b>	<b>13.37</b>	<b>12.54</b>	<b>11.87</b>	<b>11.32</b>	<b>12.38</b>	<b>11.96</b>
<b>Ratios and Supplemental Data</b>						
Total net asset value <sup>(4)(5)</sup>	\$192,841,709	\$172,126,708	\$170,761,593	\$141,713,687	\$162,253,865	\$137,811,616
Number of units outstanding <sup>(5)</sup>	14,424,645	13,728,663	14,390,522	12,523,886	13,105,062	11,521,788
Management expense ratio <sup>(6)</sup>	0.19%	0.29%	0.48%	0.28%	0.10%	0.12%
Management expense ratio before absorptions <sup>(6)</sup>	0.20%	0.30%	0.48%	0.28%	0.10%	0.12%
Portfolio turnover rate <sup>(7)</sup>	2.98%	31.24%	64.60%	16.89%	163.96%	90.22%
Trading expense ratio <sup>(8)</sup>	0.03%	0.07%	0.04%	0.06%	0.04%	0.09%
Net asset value per unit	\$13.37	\$12.54	\$11.87	\$11.32	\$12.38	\$11.96

(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, 2021 which is for the period then ended. Series N results for 2018 are from inception February 6, 2018 through December 31, 2018.

(6) The management expense ratio is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds and is expressed as an annualized percentage of the daily average net asset value during the 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, 2021, management fees totaled \$118,275 (period ended June 30, 2020 - \$131,477). Included in liabilities at June 30, 2021 is \$18,279 (December 31, 2020 - \$23,144) in respect of these fees.

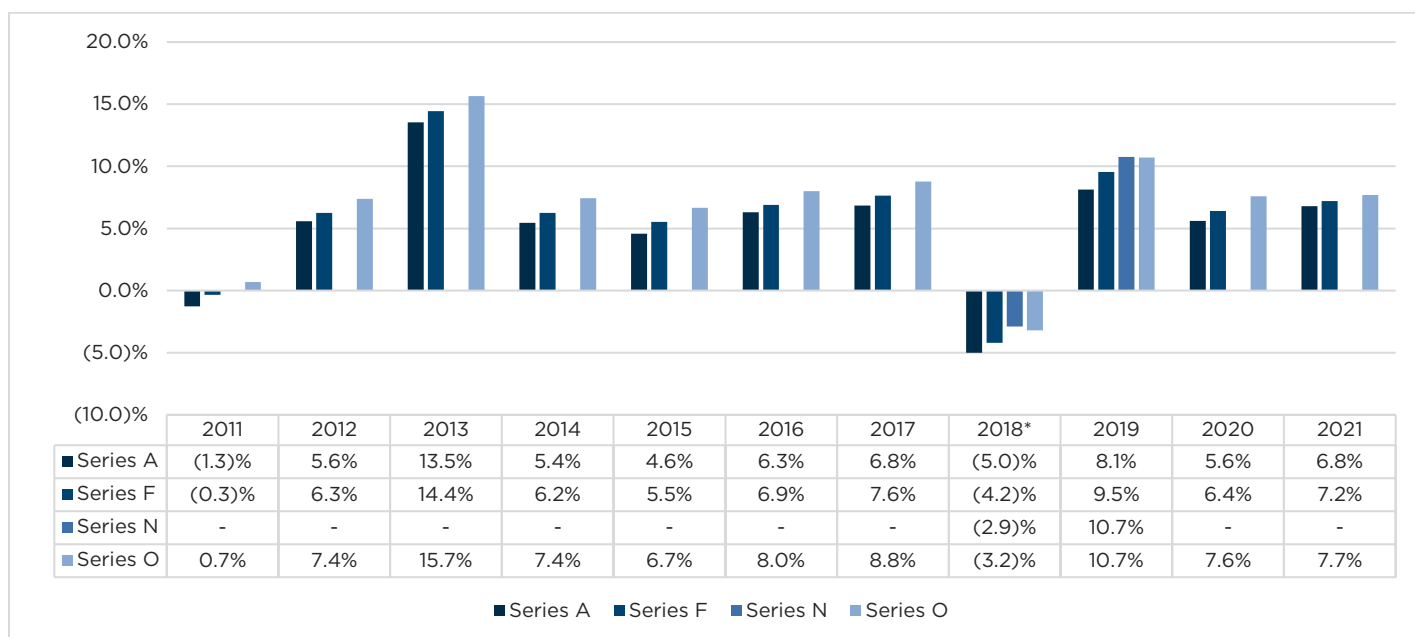
All management fees paid by Series F and N were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions. Of management fees paid on Series A, 57.14% were used 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 and the recent period. 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, 2021.



\*Series N returns for 2018 is from inception February 6, 2018 to December 31, 2018 and for 2020 is from January 1, 2020 through liquidation December 26, 2020.

**Annual Compound Returns**

	Series A	Series F	Series N	Series O	Blended Benchmark*
1 Year	16.8%	17.7%	-	18.9%	14.8%
3 Year	5.0%	6.0%	-	7.1%	7.7%
5 Year	5.1%	6.0%	-	7.1%	7.1%
10 year	5.5%	6.3%	-	7.4%	6.4%
Since inception*			3.9%		14.9%

\*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 to December 26, 2019.

\*\* The Blended Benchmark is 50% iShares Core Canadian Universe Bond Index ETF, 25% iShares Core S&P/TSX Capped Composite Index ETF, and 15% Vanguard Total World Stock ETF, during the year. The Blended Benchmark constituents reflect congruent allocations, risk exposures and track performance 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.

**SUMMARY OF INVESTMENT PORTFOLIO**

<b>Sector Allocation</b>	<b>% of Net Asset Value</b>
Fixed Income	34.2
Canadian Equity	31.4
Global Equity	30.6
Cash	4.1
Other Net Assets (Liabilities)	(0.3)

<b>Top Holdings*</b>	<b>% of Net Asset Value</b>
Matco Fixed Income Fund, Series O	34.2
Matco Canadian Equity Fund, Series O	20.6
Matco Global Equity Fund, Series O	30.6
Matco Small Cap Fund, Series O	10.8
Cash	4.1
Other Net Assets (Liabilities)	(0.3)

**Total Net Asset Value** \$ 214,060,021

\*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. The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available on our website at [www.matcofinancialinc.com](http://www.matcofinancialinc.com) or can be requested by calling 1.877.539.5743 or by writing to us at 350, 440-2nd Avenue SW, Calgary AB T2P 5E9.

**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.