



MATCO

FINANCIAL

Matco Global Equity Fund*

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
For the Period Ended December 31, 2017

* Class of Shares of Matco Funds Corp.

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This annual management report of Fund performance contains financial highlights but does not contain the annual financial statements of the Matco Canadian Equity Fund (the "**Fund**"). You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-877-539-5743, by writing to us at 400, 407-8th Avenue SW, Calgary AB T2P 1E5 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 Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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.

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Management Discussion of Fund Performance

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

Investment Objective and Strategies

The Fund's objective is to construct a geographically diversified portfolio by allocating capital across global markets. A top down investment approach is applied to determine which markets offer attractive investment opportunities. This is overlaid with a bottom up investment approach to gain exposure to the US market, where securities are selected by following a quantitative investment process focused on fundamentals.

Risk

The overall risks of investing in the Fund are as described in the Fund's Prospectus. There were no material changes to the Fund during the year that affected the overall level of risk associated with an investment in the Fund.

Results of Operations

The Fund was incorporated on May 17, 2007, began operations and made its portfolio investments at September 20, 2017 and was first offered for sale to the public via prospectus on June 23, 2017. The Fund's net assets increased to \$49.2 million at December 31, 2017. Total investment income for the 2017 period was \$2.2 million, prior to operating expenses. The Fund's performance is discussed below.

During the period the Fund started operations and experienced no unusual trends in redemptions or sales.

From September 20, 2017 to December 29, 2017, the Fund's Series F units returned 5.8%, slightly underperforming its benchmark, the MSCI All Country World Total Return Index. Unlike the index returns, the Fund's return is net of fees and expenses paid by the Series. Please refer to the *Year-by-Year Returns* section of the report for the returns of other series offered by the Fund and to the *Related Party Transactions – Management Fees* section of the report for the varying management fees payable by each series.

The risk on trade gained momentum in the fourth quarter and equity markets continued to make record highs. Absolute performance was strong across all regions, but the

emerging markets over developed markets theme continued in the fourth quarter, with emerging markets outperforming developed markets. The Fund underperformed because of higher than normal cash levels and an underweight in Japan which makes up approximately 8.0% of the index and was one of the best performing regions.

During the fourth quarter, the Fund decreased its exposure to the US and emerging markets, increased its exposure to Europe and initiated positions in Canada, Japan and Latin American. Valuations in the US are expensive relative to other regions that also offer strong fundamentals. Although the Fund decreased its exposure to emerging markets, the Fund remains overweight these regions. With seven consecutive quarters of GDP growth and unemployment at a twenty-five-year low, fundamentals in Japan are the strongest they've been in decades. Resource heavy regions like Canada and Latin America should benefit from rising commodity prices in a late cycle.

Global growth reaccelerated in 2017 and some equity markets ended the year at record highs. The momentum should continue into 2018 but should moderate as the current cycle matures and macro conditions become more challenging. We expect PMI levels and earnings growth to peak and decelerate, inflation to surprise on the upside and central banks to tighten monetary policy, which could lead to increased volatility. We believe volatility will finish the year higher, but we also believe equity markets will finish the year higher; higher returns will come with higher risk, as the risk-reward ratio becomes less attractive in this aging bull market.

The current bull market will be entering its ninth year in March, which is also the average length of the last nine bull markets since 1926. The current bull market is aging, but economic data continues to be encouraging and equity markets continue to make record highs. As we enter 2018, we are optimistic, but cautious at the same time.

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 2017, the Fund paid Matco fees of \$853

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(including GST). The management and administration fee for Series O securities is negotiated with and paid by the shareholder to the manager. The sales commission under the Front Load option is negotiated with and paid by the shareholder directly to the dealer.

Annual Rate	Series A (FL)	Series F
Management fees	2.15%	1.15%
Trailer (included in management fee)	1.00%	Nil
Front Load (FL) sales commission – up to 6%		

Other Transactions

Administration Services

The Fund paid \$5,884 to RBC Investor Services for valuation, custodian, recordkeeping, unit holder, and trustee services. This amount excludes costs paid through the Fund's investment in other mutual funds and portfolios managed by third parties.

Portfolio Transaction Services

The Fund incurred trading costs of \$14,128 through securities transactions conducted through Matco's approved list of institutional trading desks. RBC Investor Services also provides portfolio transaction services to the Fund when the Fund invests directly in securities of third party mutual funds. The Fund paid no brokerage commissions on these investment transactions.

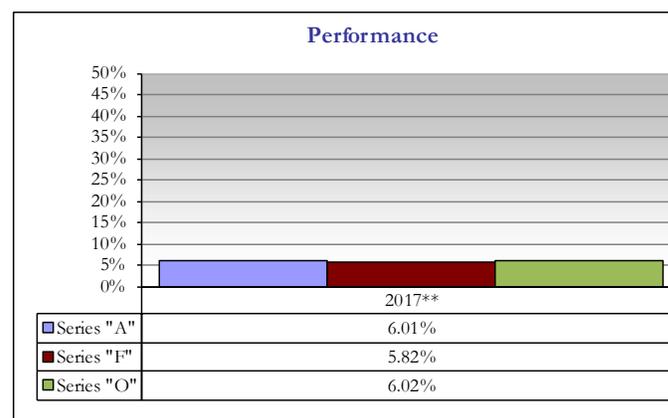
Past Performance

The indicated rates of return are the historical annual compound total returns, including changes in unit value and assuming reinvestment of all distributions. They do not take into account sales, redemption, and distribution or optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future. As the Fund may not currently be held inside of a registered plan, income and capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation. The past performance of the

Fund is set out in the following charts and the compound returns table.

Year-By-Year Returns

The bar charts that follow show the performance of each series of the Fund for the period ended December 31, 2017. The charts show, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31 of the fiscal year (except for 2017 as noted below).



** The rate of return for the period from the date the Fund was prospectus qualified (September 20, 2017 – December 31, 2017 reinvestment of all distributions at net asset value.

Summary of Investment Portfolio

Effective Equity Sector Allocation

Index Funds	52.2%
Information technology	11.8%
Consumer discretionary	9.6%
Health care	5.7%
Industrials	5.2%
Financials	5.1%
Energy	4.5%
Consumer staples	3.6%
Utilities	1.2%
Materials	1.1%
TOTAL	100.0%

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Top 25 Holdings

	% of NAV
1 iShares MSCI Europe Index ETF	25.7
2 iShares Core MSCI emerging Markets IMI	16.5
3 iShares Currency Hedged MSCI Japan ETF	8.3
4 Deluxe Corp.	1.9
5 Paychex Inc.	1.9
6 S&P Global Inc.	1.9
7 Apple Inc.	1.9
8 Altria Group Inc.	1.8
9 Philip Morris International Inc.	1.8
10 Nutrisystem Inc	1.8
11 Seagate Technology PLC	1.8
12 Sturm Ruger & Co. Inc.	1.7
13 Bristol-Myers Squibb Co.	1.7
14 Accenture PLC	1.7
15 Garmin Ltd.	1.7
16 Dun & Bradstreet Corp.	1.7
17 Alliance Resource Partners LP	1.7
18 Moody's Corp.	1.7
19 H&R Block Inc.	1.6
20 Entergy Corp.	1.6
21 Skyworks Solutions Inc.	1.6
22 Alliance Holdings GP LP	1.6
23 Capella Education Co.	1.5
24 Federated Investors Inc.	1.5
25 Broadcom Ltd.	1.4
TOTAL	88.0

The simplified prospectuses and other information about the underlying funds are available on such funds' websites or on the SEDAR website at www.sedar.com.

The investments and percentages outlined herein may have changed by the time you purchase units of this Fund. The top 25 holdings are made available quarterly, 60 days after quarter-end and may be obtained by contacting your registered representative or by contacting Matco toll free at 1.877.539.5743 or by email at matco@matcofinancial.ca.

The Fund held no short positions at the end of the year.

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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 for the recent period. This information is derived from the Fund's audited annual financial statements.

MATCO GLOBAL EQUITY FUND – Series A

Net Assets per Share

	2017
Net Assets, beginning of period ^{(1) (3)}	\$ -
Increase (decrease) from operations:	
total revenue	0.06
total expenses	-
realized gains (losses) for the period	(0.04)
unrealized gains (losses) for the period	0.98
Total increase from operations ⁽¹⁾	1.00
Distributions:	
from income (excluding dividends)	-
from dividends	-
Total annual distributions ⁽²⁾	-
Net Assets, end of year	\$ 10.59

Ratios and Supplemental Data

	2017
Net asset value end of year ⁽¹⁾	11
Number of shares outstanding ⁽¹⁾	1
Management expense ratio (%) ⁽²⁾	-
Management expense ratio before waivers or absorptions (%)	-
Portfolio turnover rate (%) ⁽³⁾	35.42
Trading expense ratio (%) ⁽⁴⁾	0.13
Net asset value per share end of year ⁽⁵⁾	10.59

MATCO GLOBAL EQUITY FUND – Series F

Net Assets per Share

	2017
Net Assets, beginning of period ^{(1) (3)}	\$ -
Increase (decrease) from operations:	
total revenue	0.22
total expenses	(0.06)
realized gains (losses) for the period	-
unrealized gains (losses) for the period	(0.42)
Total decrease from operations ⁽¹⁾	(0.26)
Distributions:	
from income (excluding dividends)	-
from dividends	-
Total annual distributions ⁽²⁾	-
Net Assets, end of year	\$ 10.57

Ratios and Supplemental Data

	2017
Net asset value end of year ⁽¹⁾	1,034,174
Number of shares outstanding ⁽¹⁾	97,831
Management expense ratio (%) ⁽²⁾	1.48
Management expense ratio before waivers or absorptions (%)	1.48
Portfolio turnover rate (%) ⁽³⁾	35.42
Trading expense ratio (%) ⁽⁴⁾	0.13
Net asset value per share end of year ⁽⁵⁾	10.57

MATCO GLOBAL EQUITY FUND – Series O

Net Assets per Share

	2017
Net Assets, beginning of period ^{(1) (3)}	\$ -
Increase (decrease) from operations:	
total revenue	0.10
total expenses	(0.01)
realized gains (losses) for the period	(0.05)
unrealized gains (losses) for the period	0.51
Total increase from operations ⁽¹⁾	0.55
Distributions:	
from income (excluding dividends)	-
from dividends	-
Total annual distributions ⁽²⁾	-
Net Assets, end of year	\$ 10.60

Ratios and Supplemental Data

	2017
Net asset value end of year ⁽¹⁾	48,125,073
Number of shares outstanding ⁽¹⁾	4,541,765
Management expense ratio (%) ⁽²⁾	0.28
Management expense ratio before waivers or absorptions (%)	0.28
Portfolio turnover rate (%) ⁽³⁾	35.42
Trading expense ratio (%) ⁽⁴⁾	0.13
Net asset value per share end of year ⁽⁵⁾	10.60

Net Assets per Share Notes

- (1) 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 shares outstanding over the financial period.
- (2) Distributions were paid in cash/reinvested in additional shares of the Fund, or both.
- (3) 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 maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Ratio and Supplemental Data Notes

- (1) This information is provided as at December 31st.
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
- (3) 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 year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, 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.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- (5) Net Asset Value per share is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of shares then outstanding.