

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 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 report 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 objective of the Matco Fixed Income Fund (the "Fund") is to provide an optimal level of income with some potential for capital appreciation while preserving capital by investing primarily in Canadian dollar-denominated investment grade debt instruments. These securities will consist of bonds and debentures and may also include real return bonds, mortgage-backed securities and asset-backed securities. The debt obligations will be issued or guaranteed by, Canadian federal, provincial or municipal governments, Canadian chartered banks, Canadian loan or trust companies or Canadian corporations.

Within the context of optimal income, the Fund may also invest in income generating common and preferred equities, as well as foreign currency denominated fixed income instruments from Canadian or foreign issuers.

To balance current income and long-term capital appreciation, the Fund may invest in Canadian dividend-paying 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 5, 2023. 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. The risk rating of the Fund is low.

Results of Operations

The Fund's net assets increased to \$100.1 million at June 30, 2023 from \$87.1 million at December 31, 2022. Total investment gain for the period ended June 30, 2023 was \$2.1 million, prior to other

income and operating expenses, up from a \$10.4 million loss for the period ended June 30, 2022.

The fund extended its duration by 0.30 years to 7.7 years, 0.35 years longer than the benchmark. This means the fund has increased its sensitivity to interest rates. From a sector perspective, the fund removed its remaining 4% preferred share exposure, decreased its corporate bond exposure by approximately 5% while increasing its government bond exposure by approximately 10%. Overall, this positions more defensively against volatility in credit markets while positioning to capitalize from interest rates moving lower over the next 12 months.

Recent Developments

The Bank of Canada re-engaged its financial condition tightening by increasing the overnight interest rate by 0.25%; leaving the overnight interest rate at 5.0%. Since the beginning of 2022, the cumulative overnight interest rate increases now sit at 4.75%. Both the Bank of Canada and the U.S. Federal Reserve have articulated that they remain data dependent and will continue to fight core inflation if it remains elevated. Overall, the outlook for the fixed income asset class is much improved when compared to recent years. The central bank tightening cycles have led to a greater opportunity for the fund to invest at more attractive yields within each sector of the underlying bond market. Although inflation continues to grind lower, decelerating growth and lower inflation are both positives for the Canadian bond market over the remainder of 2023 and into 2024.

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, 2023, the Fund incurred management fees payable to Matco of \$7,950 (period ended June 30, 2022-\$4,865).

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, 2023 or 2022.

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 past six months (noted 2023), and for the five most recently completed financial years.

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

SERIES A	2021	2020	2019	2018
Net assets, beginning of period/year ⁽¹⁾⁽²⁾	10.72	10.26	10.04	10.09
Increase (decrease) from operations ^{(2):}				
Total revenue	0.23	0.27	0.26	0.25
Total expenses	(0.13)	(0.13)	(0.11)	(0.15)
Net realized gains (losses)	0.07	0.39	0.05	(0.10)
Net unrealized gains (losses)	(0.62)	0.23	0.18	0.86
Total increase (decrease) from operations ^{(2):}	(0.45)	0.76	0.38	0.86
Distributions ^{(2)(3):}				
From net investment income (excluding dividends)	(0.09)	(0.15)	(0.12)	(0.22)
From capital gains	—	(0.16)	—	—
Total distributions:	(0.09)	(0.31)	(0.12)	(0.22)
Net assets, end of period/year	—	10.72	10.26	10.04

Ratios and Supplemental Data

Total net asset value ⁽⁴⁾⁽⁵⁾	—	\$1,679	\$1,562	\$1,516
Number of shares outstanding ⁽⁵⁾	—	157	152	151
Management expense ratio ⁽⁶⁾	1.14%	1.16%	1.22%	1.33%
Management expense ratio before absorptions ⁽⁶⁾	1.14%	1.16%	1.22%	1.33%
Portfolio turnover rate ⁽⁷⁾	42.02%	57.81%	49.49%	25.99%
Trading expense ratio ⁽⁸⁾	0.02%	0.00%	0.00%	0.00%
Net asset value per unit	—	\$10.72	\$10.26	\$10.04

SERIES F	2023	2022	2021	2020	2019	2018
Net assets, beginning of period/year ⁽¹⁾⁽²⁾	8.65	10.10	10.67	10.22	9.98	10.07
Increase (decrease) from operations ^{(2):}						
Total revenue	0.15	0.28	0.25	0.27	0.27	0.25
Total expenses	(0.04)	(0.08)	(0.10)	(0.09)	(0.08)	(0.09)
Net realized gains (losses)	(0.25)	(0.20)	0.07	0.38	0.04	(0.04)
Net unrealized gains (losses)	0.25	(1.25)	(0.53)	0.31	0.17	—
Total increase (decrease) from operations ^{(2):}	0.11	(1.25)	(0.31)	0.87	0.40	0.12
Distributions ^{(2)(3):}						
From net investment income (excluding dividends)	(0.11)	(0.15)	(0.15)	(0.19)	(0.18)	(0.16)
From dividends	(0.01)	(0.05)	(0.01)	—	—	—
From capital gains	—	—	(0.08)	(0.15)	—	—
Total distributions:	(0.12)	(0.20)	(0.24)	(0.34)	(0.18)	(0.16)
Net assets, end of period/year	8.72	8.65	10.10	10.67	10.22	9.98

Ratios and Supplemental Data

Total net asset value ⁽⁴⁾⁽⁵⁾	\$2,445,683	\$1,715,581	\$1,569,521	\$1,836,328	\$2,742,754	\$842,290
Number of shares outstanding ⁽⁵⁾	280,586	198,269	155,336	171,905	268,367	84,378
Management expense ratio ⁽⁶⁾	0.86%	0.88%	0.84%	0.83%	0.83%	0.88%
Management expense ratio before absorptions ⁽⁶⁾	0.86%	0.88%	0.84%	0.84%	0.83%	0.88%
Portfolio turnover rate ⁽⁷⁾	34.61%	20.57%	42.02%	57.81%	49.49%	25.99%
Trading expense ratio ⁽⁸⁾	0.00%	0.01%	0.02%	0.00%	0.00%	0.00%
Net asset value per unit	\$8.72	\$8.65	\$10.10	\$10.68	\$10.22	\$9.98

Annual Management Report of Fund Performance
For the Period Ended June 30, 2023

MATCO FIXED INCOME FUND

SERIES N	2019	2018
Net assets, beginning of period/year⁽¹⁾⁽²⁾	9.93	—
Increase (decrease) from operations⁽²⁾:		
Total revenue	0.26	0.25
Total expenses	(0.03)	(0.03)
Net realized gains (losses)	0.05	(0.08)
Net unrealized gains (losses)	0.24	—
Total increase (decrease) from operations⁽²⁾:	0.52	0.14
Distributions⁽²⁾⁽³⁾:		
From net investment income (excluding dividends)	(0.22)	(0.24)
Total distributions:	(0.22)	(0.24)
Net assets, end of period/year	—	9.93

Ratios and Supplemental Data

Total net asset value ⁽⁴⁾⁽⁵⁾	\$—	\$1,499
Number of shares outstanding ⁽⁵⁾	—	151
Management expense ratio ⁽⁶⁾	0.26%	0.25%
Management expense ratio before absorptions ⁽⁶⁾	1,239.20%	9,023.67%
Portfolio turnover rate ⁽⁷⁾	49.49%	25.99%
Trading expense ratio ⁽⁸⁾	0.00%	0.00%
Net asset value per unit	\$—	\$9.93

SERIES O	2023	2022	2021	2020	2019	2018
Net assets, beginning of period/year⁽¹⁾⁽²⁾	8.67	10.13	10.71	10.25	10.00	10.07

Increase (decrease) from operations⁽²⁾:						
Total revenue	0.15	0.28	0.25	0.27	0.27	0.24
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net realized gains (losses)	(0.25)	(0.18)	0.07	0.39	0.05	(0.04)
Net unrealized gains (losses)	0.30	(1.32)	(0.57)	0.27	0.21	(0.02)
Total increase (decrease) from operations⁽²⁾:	0.19	(1.23)	(0.26)	0.92	0.52	0.17

Distributions⁽²⁾⁽³⁾:

From net investment income (excluding dividends)	(0.14)	(0.20)	(0.23)	(0.27)	(0.25)	(0.22)
From dividends	(0.01)	(0.06)	(0.01)	—	—	—
From capital gains	—	—	(0.08)	(0.16)	—	—
Total distributions:	(0.15)	(0.26)	(0.32)	(0.43)	(0.25)	(0.22)
Net assets, end of period/year	8.74	8.67	10.13	10.71	10.25	10.00

Ratios and Supplemental Data

Total net asset value ⁽⁴⁾⁽⁵⁾	\$97,607,676	\$85,384,352	\$95,883,684	\$110,472,812	\$136,162,069	\$138,133,426
Number of shares outstanding ⁽⁵⁾	11,168,149	9,845,155	9,468,226	10,315,843	13,283,280	13,811,660
Management expense ratio ⁽⁶⁾	0.13%	0.14%	0.11%	0.10%	0.10%	0.13%
Management expense ratio before absorptions ⁽⁶⁾	0.13%	0.14%	0.11%	0.11%	0.10%	0.13%
Portfolio turnover rate ⁽⁷⁾	34.61%	20.57%	42.02%	57.81%	49.49%	25.99%
Trading expense ratio ⁽⁸⁾	0.00%	0.01%	0.02%	0.00%	0.00%	0.00%
Net asset value per unit	\$8.74	\$8.67	\$10.13	\$10.71	\$10.25	\$10.00

- (1) This information is derived from the Fund's audited 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 and for the period shown, as applicable, except Series N for 2018 which are from inception February 6, 2018 through December 31, 2018 and Series A for 2021 which are from January 1 through December 1, 2021.
- (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 1.20%, 0.70% and 0.35% for Series A, F and N respectively. No management fees are charged directly to Series O.

During the period ended June 30, 2023, management fees totaled \$7,950 (period ended June 30, 2022- \$4,865). Included in liabilities at June 30, 2023 is \$1,382 (December 31, 2022 - \$994) in respect of these fees.

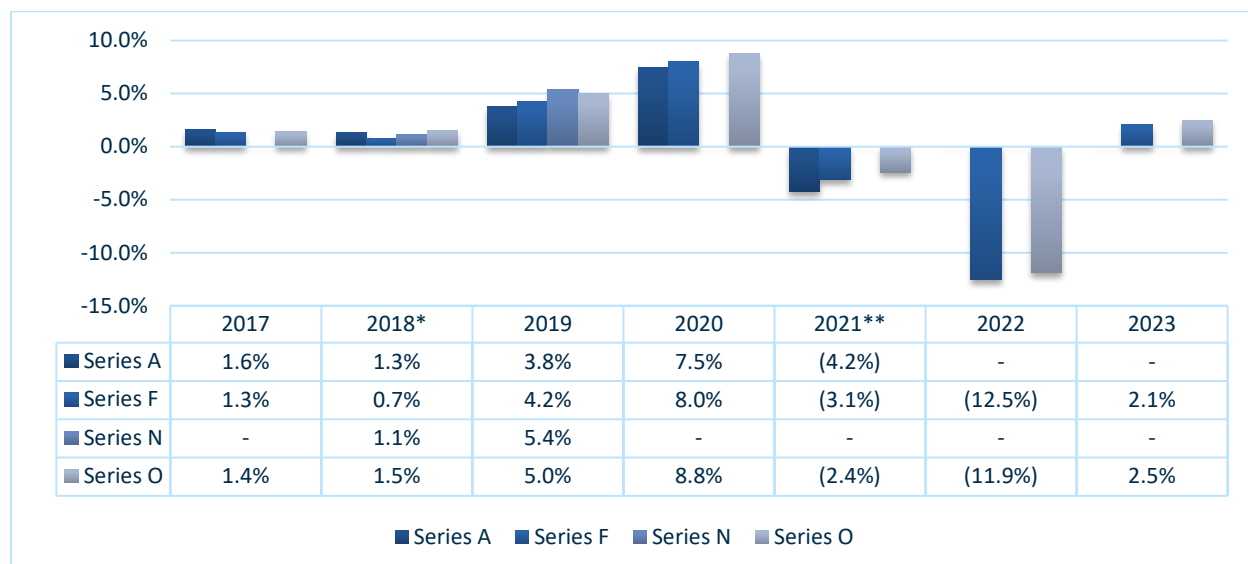
All management fees paid by Series F and N were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions. Of management fees paid on Series A, 41.67% were used to pay for trailing and other dealer sales commissions, the remaining 58.33% 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 past six months (noted 2023), and for the six most recently completed financial years or for the periods since inception. 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 as noted below).



The rate of return for 2017 is from inception September 20, 2017.

*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.

**Series A returns for 2021 is from January 1, 2021 through liquidation December 1, 2021.

Annual Compound Returns

	Series A**	Series F	Series N*	Series O	Benchmark***
1 Year*	-	0.7%	-	1.4%	2.8%
3 Years*	-	(4.4)%	-	(3.7)%	(3.9)%
5 Years*	-	(0.4)%	-	0.3%	0.5%
Since Inception+	-	(0.1)%	-	0.6%	0.9%
Since Inception*	-	-	3.4%	-	5.4%
Since Inception**	2.3%	-	-	-	3.5%

+Since inception returns for Series F, and Series O are from September 20, 2017.

* Since inception returns for Series N are from February 6, 2018 to December 26, 2019.

** Since inception returns for Series A are from September 20, 2017 to December 1, 2021.

*** The Benchmark is iShares Core Canadian Universe Bond Index ETF. Based on 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

Sector Allocation	% of Net Asset Value
Federal	41.0
Corporate	33.4
Provincial	24.1
Cash	0.8
Other Net Assets (Liabilities)	0.7

Top 25 Holdings	% of Net Asset Value
Canadian Government Bond - 3.500% Dec 01/45	8.7
Canadian Government Bond - 2.750% Dec 01/48	7.7
Canada Housing Trust No 1 - 3.550% Sep 15/32	6.9
Canada Housing Trust No 1 - 1.750% Jun 15/30	6.5
The Toronto-Dominion Bank - 1.888% Mar 08/28	5.0
Province of Alberta Canada - 3.450% Dec 01/43	4.4
Hydro One Inc. - 5.360% May 20/36	4.0
Canadian Government Bond - 2.750% Aug 01/24	3.9
Bank of Montreal - 2.370% Feb 03/25	3.5
Province of Ontario Canada - 2.150% Jun 02/31	3.5
Canadian Government Bond - 3.500% Mar 01/28	3.5
British Columbia Ferry Services Inc. - 6.250% Oct 13/34	3.4
Royal Bank of Canada - 2.328% Jan 28/27	3.4
Province of Ontario Canada - 3.450% Jun 02/45	3.0
Royal Bank of Canada - 4.930% Jul 16/25	2.9
Bank of Nova Scotia - 1.400% Nov 01/27	2.6
Granite REIT Holdings LP - 3.062% Jun 04/27	2.5
Province of Manitoba Canada - 3.250% Sep 05/29	2.4
Province of Alberta Canada - 3.100% Jun 01/24	2.2
Province of Quebec Canada - 2.500% Sep 01/26	2.0
Canadian Government Bond - 3.000% Oct 01/25	2.0
Canadian Government Bond - 2.750% Jun 01/33	1.9
Province of Manitoba Canada - 3.800% Sep 05/53	1.9
Canadian Imperial Bank of Commerce - 1.100% Jan 19/26	1.8
Province of British Columbia Canada - 3.200% Jun 18/32	1.7
Total Net Asset Value	\$ 100,053,359

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 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.