

DAVIS-REA EQUITY FUND

June 30, 2025

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This Semi-Annual Management Report of Fund Performance contains financial highlights but does not contain the unaudited semi-annual financial statements or audited annual financial statements of the Davis-Rea Equity Fund. You can get a copy of the unaudited semi-annual financial statements of the Davis-Rea Equity Fund at your request and, at no cost, by calling Davis-Rea Ltd. at (416) 324-2200 or at (877) 391-9929, by writing to us at 23 Bedford Road, Suite 100, Toronto, Ontario, M5R 2J9, or by visiting our website at www.davisrea.com or SEDAR+ at www.sedarplus.ca.

Securityholders may also contact us using one of these methods to request a copy of the Davis-Rea Fixed Income Fund's proxy voting policies and procedures, proxy voting disclosure record and/or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The investment objective of the Davis-Rea Equity Fund (the “Fund”) is to preserve and enhance capital by primarily investing in Canadian, U.S. and international equity securities for long-term gain.

Securities for the Fund will be selected by us based on our assessment of the markets and potential investment opportunities. We intend to focus the Fund on various sectors of the economy from time to time and will typically only invest in the equity securities of large to medium capitalized companies with a market capitalization of not less than \$250 million. Any exceptions to this market capitalization will be limited to less than 10% of the value of the Fund. We may also use derivatives from time to time to hedge against changes in currency, losses from movements in the stock markets or to realize additional gains. At our discretion, the Fund may also hold cash and/or short-term money market instruments, fixed income securities and convertible debentures, and may from time to time invest up to 10% of its assets in Class N units of the Davis-Rea Fixed Income Fund.

Results of Operations

The Fund’s net asset value rose to \$270.7 million as of June 30, 2025, from \$260.4 million at the end of 2024. The increase in net assets was attributable to an increase from operations of approximately \$1.4 million and net inflows of approximately \$8.8 million.

The Class O units of the fund returned 0.56% for the reporting period. The S&P/TSX Composite Index gained 8.61% while the S&P 500 Index gained 5.50% over the same period. The performance of the other classes of the fund is substantially similar, save for differences in fees and expenses. See the “Financial Highlights” section for the management expense ratios and the “Past Performance” section for additional information on returns.

The quarter began with the inauguration of a new U.S. administration, an event we expected to introduce uncertainty and volatility. Markets initially responded with enthusiasm, buoyed by expectations of supportive policy. However, this optimism faded quickly, leading to a sharp shift in sentiment and sudden market declines. The Fund’s disciplined focus on high-quality businesses, complemented by a measured allocation to fixed income and cash, helped moderate volatility. The reversal also created an opportunity to unwind hedging positions profitably, reflecting the Fund’s active risk management approach.

In the second quarter, returns were tempered by currency movements, as a stronger Canadian dollar reduced returns from U.S. dollar-denominated holdings. Equity exposure remained largely unchanged, with selective increases in positions such as Meta, Google, and Bank of America, along with a new investment in Alimentation Couche-Tard.

Portfolio companies in the financial services sector, including JPMorgan, Bank of America, and PNC Financial, reported strong earnings, underscoring resilience in both consumer and business conditions. While the full economic impact of tariffs has yet to emerge, the potential for slower growth remains a consideration in the near-term market outlook.

The Fund continues to monitor developments in artificial intelligence closely, recognizing both its transformative potential and the associated risks, including competitive disruption and broader societal implications.

Overall, the Fund remains positioned in a concentrated portfolio of well-capitalized, high-quality businesses with strong competitive advantages, balancing growth opportunities with prudent risk management to navigate evolving market conditions.

Recent Developments

Looking ahead, the Fund remains committed to investing in businesses with sustainable competitive advantages, strong cash flow generation, and capable leadership teams. While market conditions continue to evolve, the investment team remains focused on identifying attractive opportunities while managing risk prudently. Maintaining a balance between opportunistic investing and capital preservation will continue to be a guiding principle in positioning the portfolio for future success.

Related Party Transactions

Davis-Rea Ltd. (the “Manager”) is the manager and portfolio adviser for the Fund. The Manager is responsible for managing the day-to-day activities of the Fund and providing or arranging for all required administrative services of the Fund. In consideration for such services, certain classes of units of the Fund pay the Manager a monthly management fee based on the net asset value (“NAV”) of the applicable classes of units of the Fund, calculated daily. Each holder of Class O units of the Fund pays their management fee directly to us pursuant to their Class O investment management agreement. The Class N units of the Fund do not pay a management fee and may only be bought by another Davis-Rea Mutual Fund.

The Manager has also created an independent review committee (“IRC”) to review and provide impartial judgment on conflict of interest matters. The IRC reviews potential conflicts of interest referred to it by the Manager and makes recommendations on whether a course of action is fair and reasonable for the Fund. The IRC prepares an annual report of its activities for interested parties. A copy of the IRC’s report for 2025 is available at www.davisrea.com or at SEDAR+ at www.sedarplus.ca.

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 by June 30, 2025), and for the past five years ended December 31.

The Fund's Net Assets per Unit (\$)

For the Period Ended	Net Assets Beginning of Period ¹	Increase (Decrease) from Operations					Annual Distributions				Net Assets End of Period
		Total Revenue	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total ²	From Net Realized Gain on Investments	From Net Investment Income	From Return of Capital	Total	
Class A Units											
June 30, 2025	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2024	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2023	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2022	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2021	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2020	15	—	—	(1)	2	1	—	—	—	—	—
Class B Units											
June 30, 2025	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2024	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2023	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2022	—	—	—	—	—	—	—	—	—	—	—
Dec. 31, 2021	30,577	290	804	(515)	9,061	8,032	—	—	—	—	—
Dec. 31, 2020	28,669	419	741	(1,285)	3,515	1,908	—	—	—	—	30,577
Class F Units											
June 30, 2025	141,634	1,328	1,689	7,921	14,750	22,310	74,415	2,480	—	76,895	1,015,834
Dec. 31, 2024	372,805	1,783	2,073	49,613	9,132	58,454	32,381	221	—	32,602	141,634
Dec. 31, 2023	—	1,693	2,593	17,865	30,746	47,711	27,794	758	—	28,552	372,805
Class O Units											
June 30, 2025	260,220,107	1,447,421	658,756	10,883,440	(10,258,644)	1,413,461	20,095,810	2,667,519	—	22,763,329	269,661,902
Dec. 31, 2024	185,907,248	2,864,708	1,029,770	66,801,620	(3,877,359)	64,759,199	59,650,449	2,456,522	—	62,106,971	260,220,107
Dec. 31, 2023	104,393,141	1,924,205	764,218	20,536,897	16,507,160	38,204,044	10,616,158	1,237,609	—	11,853,767	185,907,248
Dec. 31, 2022	111,350,593	1,292,524	539,702	9,271,831	(28,658,855)	(18,634,202)	—	958,223	—	958,223	104,393,141
Dec. 31, 2021	84,280,453	1,087,168	331,040	(1,257,153)	24,619,581	24,118,556	—	732,335	—	732,335	111,350,593
Dec. 31, 2020	85,619,262	1,186,198	332,084	(3,816,628)	9,632,507	6,669,993	—	950,272	—	950,272	84,280,453

¹ This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. In the period the Fund or a class of units of the Fund is established, the financial information is provided from the date of inception to the end of the period.

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) in net assets from operations is based on the weighted average number of units outstanding over the fiscal period. This table is not intended to be a reconciliation of opening and closing net assets per unit.

Class A units were started on April 30, 2015. No Class A units of the Fund were issued and outstanding to the public from 2018 to June 30, 2025.

Class B units of the Fund were first offered by prospectus on March 18, 2013 and were first issued on September 17, 2014. No Class B units of the Fund were issued and outstanding to the public between December 31, 2022 and June 30, 2025.

Class F units of the Fund were previously offered by prospectus, but were not issued until September 26, 2023.

Class O units of the Fund were first offered by prospectus on March 18, 2013 and were offered on an exempt basis from June 19, 2011.

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Total Net Asset Value (\$) ¹	Number of Units Outstanding ¹	MER (%) ²	MER Before Waivers or Absorption (%)	Trading Expense Ratio (%) ³	Portfolio Turnover Rate (%) ⁴	Net Asset Value Per Unit (\$)
Class A Units							
June 30, 2025	—	—	—	—	—	—	—
Dec. 31, 2024	—	—	—	—	—	—	—
Dec. 31, 2023	—	—	—	—	—	—	—
Dec. 31, 2022	—	—	—	—	—	—	—
Dec. 31, 2021	—	—	—	—	—	—	—
Dec. 31, 2020	—	—	—	—	—	—	—
Class B Units							
June 30, 2025	—	—	—	—	—	—	—
Dec. 31, 2024	—	—	—	—	—	—	—
Dec. 31, 2023	—	—	—	—	—	—	—
Dec. 31, 2022	—	—	—	—	—	—	—
Dec. 31, 2021	—	—	—	—	—	—	—
Dec. 31, 2020	30,577	3,473	2.51	2.51	0.03	28.20	8.80
Class F Units							
June 30, 2025	1,015,834	114,884	1.02	1.02	0.25	159.18	8.84
Dec. 31, 2024	141,634	13,884	1.06	1.06	0.19	263.45	10.20
Dec. 31, 2023	372,805	36,326	0.49	0.49	0.17	2.58	10.26
Class O Units							
June 30, 2025	269,661,902	17,443,306	0.14	0.14	0.25	159.18	15.46
Dec. 31, 2024	260,220,107	15,491,186	0.15	0.15	0.19	263.45	16.80
Dec. 31, 2023	185,907,248	11,336,693	0.19	0.19	0.17	2.58	16.40
Dec. 31, 2022	104,393,141	7,739,562	0.25	0.25	0.01	2.40	13.49
Dec. 31, 2021	111,350,593	6,897,646	0.21	0.21	0.01	2.40	16.14
Dec. 31, 2020	84,280,453	6,657,272	0.25	0.25	0.03	28.20	12.66

¹ This information is provided at the end of the period shown.
² The management expense ratio (MER) is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
³ The trading expense ratio represents the total commissions and other portfolio transaction costs expressed as an annualized percentage of net asset value during the period.
⁴ The Fund's portfolio turnover rate indicates how actively the Fund's investments are traded. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all its investments once in the course of the relevant period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

The management fees for Class A units were changed to 1.25% from 1.75%, effective January 2, 2024.
The management fees and trailer fees for Class B units were changed to 1.80% from 2.00% and to 1.00% from 0.50%, respectively, effective January 2, 2024.
The management fees for Class F units were changed to 0.80% from 1.50%, effective January 2, 2024.

Management Fees

The table below outlines the Fund's annual management fees and the trailer fees, if any, that the Manager pays to dealers who distribute units of the applicable class of the Fund (i.e., a percentage of the daily NAV of such class). The Manager is paid an annual management fee by each unitholder who invests in Class O units of the Fund pursuant to a Class O investment management agreement, which will not exceed the management fee that we receive from Class A units of the Fund. The Class N units of the Fund do not pay a management fee and may only be bought by another Davis-Rea Mutual Fund.

	Management Fee	Trailer Fee*
Class A	1.25%	N/A
Class B	1.80%	1.00%
Class F	0.80%	N/A
Class O	Negotiated	N/A
Class N	N/A	N/A

* Maximum rate as a percentage of management fees.

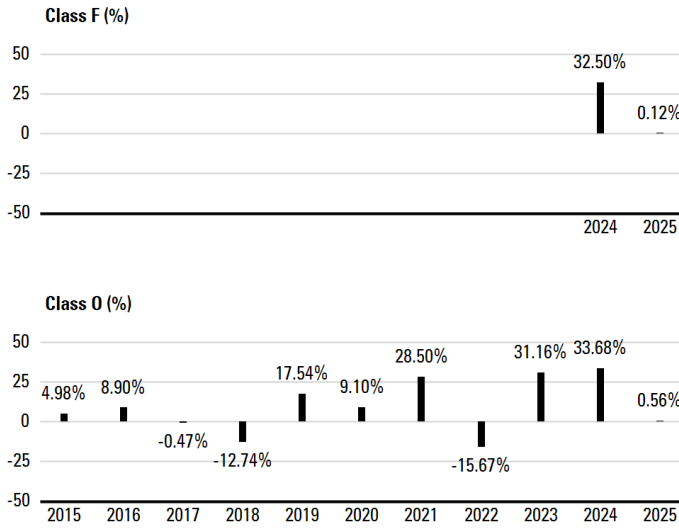
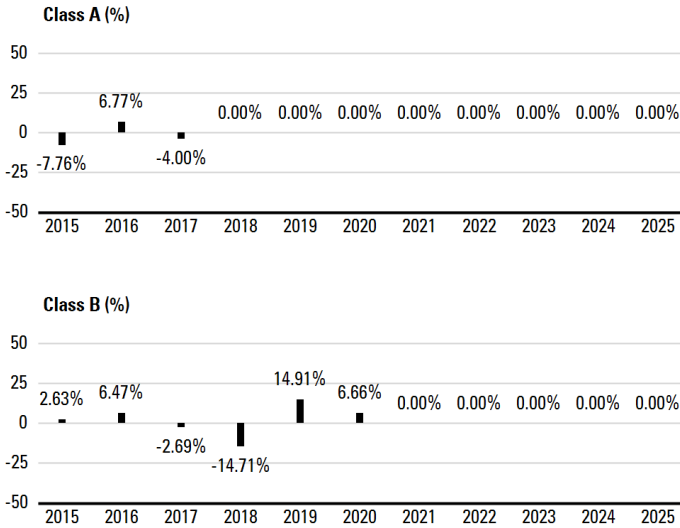
PAST PERFORMANCE

The following information takes into account all Class A, Class B and Class F management fees. It does not take into account any Class O management fees, which are paid to the Manager pursuant to a Class O investment management agreement.

The past performance indicated below assumes that all distributions made by the Fund in the periods shown were re-invested in additional units of the applicable class of the Fund. In addition, the past performance results shown below do not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Finally, past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns (%)

The bar chart below shows the Fund's performance for each class of units in each of the years shown. It illustrates how the Fund's performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made at the beginning of the period has increased or decreased by the end of the period. As Class F units of the Fund were not outstanding for all of 2023, no performance data is available for that year. The return shown for 2025 is for the six months ended June 30, 2025.



Class A units were started on April 30, 2015. As no Class A units of the Fund were issued and outstanding to the public from 2018 to June 30, 2025, no performance data is available for those periods.
Class B units of the Fund were first offered by prospectus on March 18, 2013 and were first issued on September 17, 2014. Returns shown for 2021 are for the 10-month period ended October 31, 2021. As no Class B units of the Fund were issued and outstanding to the public from 2022 to June 30, 2025, no performance data is available for those periods.
Class F units of the Fund were previously offered by prospectus, but were not issued until September 26, 2023.
Class O units of the Fund were first offered by prospectus on March 18, 2013 and were offered on an exempt basis from June 19, 2011.

SUMMARY OF INVESTMENT PORTFOLIO

As at June 30, 2025

	% of Net Asset Value
CANADIAN EQUITIES	
Consumer Staples	
Alimentation Couche-Tard Inc.	3.75
	<u>3.75</u>
Real Estate	
Dream Residential REIT	2.36
	<u>2.36</u>
TOTAL CANADIAN EQUITIES	<u>6.11</u>

	% of Net Asset Value
FOREIGN EQUITIES	
Communication Services	
Alphabet Inc., Class 'A'	8.46
Meta Platforms Inc., Class 'A'	7.43
	<u>15.89</u>
Consumer Discretionary	
Amazon.com Inc.	8.45
LVMH Moet Hennessy Louis Vuitton SE, ADR	1.19
	<u>9.64</u>
Financials	
Bank of America Corp.	5.34
JPMorgan Chase & Co.	5.83
PNC Financial Services Group Inc. (The)	4.52
	<u>15.69</u>
Health Care	
Avantor Inc.	0.17
Stryker Corp.	5.31
Thermo Fisher Scientific Inc.	6.41
UnitedHealth Group Inc.	3.14
Zoetis Inc.	1.57
	<u>16.60</u>
Industrials	
Cintas Corp.	0.90
Rockwell Automation Inc.	0.84
Roper Technologies Inc.	2.14
	<u>3.88</u>
Information Technology	
Accenture PLC, Class 'A'	2.80
ANSYS Inc.	3.53
Apple Inc.	4.13
CloudFlare Inc., Class 'A'	4.43
Microsoft Corp.	5.33
Synopsys Inc.	5.26
	<u>25.48</u>
Materials	
CRH PLC	0.92
	<u>0.92</u>
Utilities	
Brookfield Infrastructure Partners L.P.	0.83
	<u>0.83</u>
TOTAL FOREIGN EQUITIES	<u>88.93</u>
TOTAL EQUITIES	<u>95.04</u>
TOTAL COST AND FAIR VALUE OF INVESTMENTS*	95.04
TRANSACTION COST INCLUDED IN AVERAGE COST	—
TOTAL INVESTMENTS	95.04
TOTAL PURCHASED OPTION INVESTMENTS	0.13
TOTAL WRITTEN OPTION INVESTMENTS	(0.94)
OTHER ASSETS AND LIABILITIES	5.77
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	100.00

*Cost includes transaction costs
Percentage shown relates to investments at fair value and Net Assets Attributable to Holders of Redeemable Units (Net Assets) as at June 30, 2025.
The Fund's summary of investment portfolio set out above will change due to ongoing portfolio transactions. A quarterly update is available on request.