DAVIS REA
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DAVIS-REA EQUITY FUND

June 30, 2026

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 Equity 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

For the six-month period ended June 30, 2026, the Fund's net assets attributable to holders of redeemable units increased by $10.10 million, from $288.0 million at December 31, 2025, to $298.1 million at June 30, 2026. Investment income of $1.89 million and net gains on investments of $9.13 million, partially offset by expenses of $0.65 million, resulted in an increase in net assets from operations of $10.37 million. This increase was partially offset by the net effect of distributions and unit transactions, which reduced net assets by $0.27 million. Class O units returned 3.44% during the period, compared with returns of 9.92% for the S&P/TSX Composite Index and 9.55% for the S&P 500 Index. Returns for the Fund's other classes were similar, after accounting for differences in fees and expenses. See the Financial Highlights and Past Performance sections for additional information.

Class O units returned -4.66% during the first quarter amid elevated market volatility and geopolitical uncertainty. The Fund maintained a relatively defensive position and ended the quarter with approximately 13% of its net asset value in cash and cash equivalents. During the quarter, the Fund exited Home Depot following a reassessment of its valuation relative to other investment opportunities. The Fund also exited Roper Technologies, in part to manage its realized capital gains position. Following periods of strong share-price appreciation, positions in Amazon, Bank of America, Cloudflare, Synopsys and Meta were reduced to manage position sizes and concentration risk, while positions in JPMorgan, Microsoft and Netflix were increased. The Fund also initiated a position in Thomson Reuters during a period of heightened investor concern regarding potential disruption from artificial intelligence, based on the Portfolio Manager's assessment of the company's financial strength, competitive position and long-term profitability.

Class O units returned 8.50% during the second quarter as equity markets rebounded. Market gains, particularly in the United States, were concentrated in a relatively small group of large technology and semiconductor companies. Although the Fund held Apple, Alphabet and Amazon, it did not hold the semiconductor companies that were among the leading contributors to the S&P 500 Index's advance, as the Portfolio Manager considered their valuations and cyclical risks unattractive relative to other available opportunities. This positioning, together with the Fund's higher cash level entering the quarter, reduced its participation in the broader market advance.

As valuations elsewhere became more attractive, the Fund increased its equity exposure during the second quarter and ended the reporting period with approximately 95% of its net asset value invested in equities and 5% held in cash and cash equivalents. The Fund also realized gains on hedging positions and continued to adjust individual position sizes in response to changes in valuations and portfolio risk.

Throughout the reporting period, consumer spending and corporate earnings remained generally resilient despite geopolitical uncertainty and market volatility. The Portfolio Manager continued to assess both the opportunities and competitive risks associated with artificial intelligence, with a focus on companies possessing financial strength, durable competitive advantages and the capacity to adapt to technological change. The Fund continued to follow a long-term, valuation-conscious investment approach and did not increase exposure solely in response to increasingly narrow market leadership.

Recent Developments

Since the date of the Fund's most recent annual MRFP, there have been no significant developments affecting the Fund. Portfolio adjustments made subsequent to June 30, 2026 were undertaken in the ordinary course and did not represent a change in the Fund's investment objectives, strategies or strategic position.

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 most recent IRC report is available at www.davisrea.com or on 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, 2026), and for the past five years ended December 31.

The Fund's Net Assets per Unit ($)

		Increase (Decrease) from Operations					Annual Distributions				
For the Period Ended	Net Assets Beginning of Period[1]	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	Net Assets End of Period
Class A Units											
June 30, 2026	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dec. 31, 2025	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2024	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2023	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2022	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2021	–	–	–	–	–	–	–	–	–	–	–
Class B Units											
June 30, 2026	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dec. 31, 2025	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2024	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2023	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2022	–	–	–	–	–	–	–	–	–	–	–
Dec. 31, 2021	30,577	290	804	(515)	9,061	8,032	–	–	–	–	–
Class F Units											
June 30, 2026	**1,123,653**	**7,447**	**7,702**	**61,967**	**(24,566)**	**37,146**	**54,542**	**1,283**	**–**	**55,825**	**1,224,228**
Dec. 31, 2025	141,634	7,816	9,029	25,286	83,962	108,035	94,731	374	–	95,105	1,123,653
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, 2026	**286,904,522**	**1,883,188**	**640,325**	**15,562,131**	**(6,469,348)**	**10,335,646**	**11,900,146**	**1,206,150**	**–**	**13,106,296**	**296,904,742**
Dec. 31, 2025	260,220,107	3,161,185	1,245,416	15,563,324	8,111,362	25,590,455	24,448,469	3,137,981	–	27,586,450	286,904,522
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

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, 2026.
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, 2021 and June 30, 2026.
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, 2026	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dec. 31, 2025	–	–	–	–	–	–	–
Dec. 31, 2024	–	–	–	–	–	–	–
Dec. 31, 2023	–	–	–	–	–	–	–
Dec. 31, 2022	–	–	–	–	–	–	–
Dec. 31, 2021	–	–	–	–	–	–	–
Class B Units							
June 30, 2026	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Dec. 31, 2025	–	–	–	–	–	–	–
Dec. 31, 2024	–	–	–	–	–	–	–
Dec. 31, 2023	–	–	–	–	–	–	–
Dec. 31, 2022	–	–	–	–	–	–	–
Dec. 31, 2021	–	–	–	–	–	–	–
Class F Units							
June 30, 2026	**1,224,228**	**132,171**	**1.05**	**1.05**	**0.17**	**86.86**	**9.26**
Dec. 31, 2025	1,123,653	119,115	1.04	1.04	0.21	234.27	9.43
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, 2026	**296,904,742**	**18,139,178**	**0.14**	**0.14**	**0.17**	**86.86**	**16.37**
Dec. 31, 2025	286,904,522	17,326,186	0.14	0.14	0.21	234.27	16.56
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

[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 a quarterly management fee by each unitholder who invests in Class O units of the Fund pursuant to a 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.

	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.

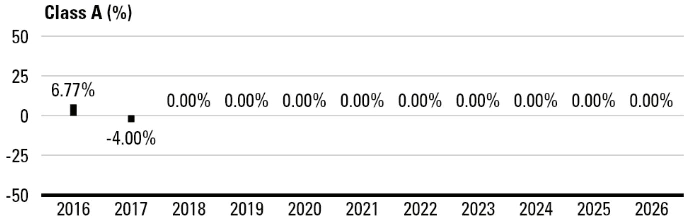
PAST PERFORMANCE

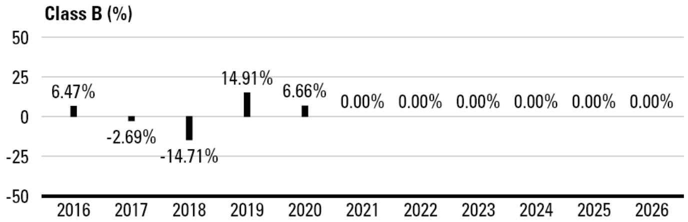
The following information takes into account all Class A, Class B and Class F management fees. It does not take into account any Class O management fees, which are paid to the Manager pursuant to a Class O investment management agreement.

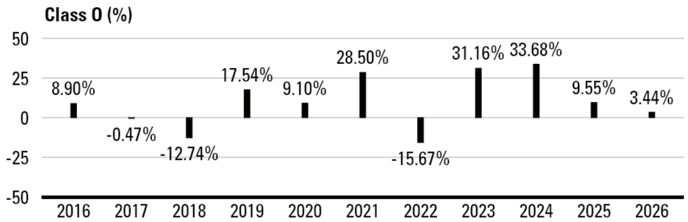
The past performance indicated below assumes that all distributions made by the Fund in the periods shown were re-invested in additional units of the applicable class of the Fund. In addition, the past performance results shown below do not take into account sales, redemption, distribution or other optional 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 2026 is for the six months ended June 30, 2026.







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, 2026, 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. As no Class B units of the Fund were issued and outstanding to the public from 2022 to June 30, 2026, 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, 2026

	% of Net Asset Value
CANADIAN EQUITIES	
Industrials	
Thomson Reuters Corp.	4.21
	4.21
Information Technology	
Shopify Inc., Class ‘A’	3.81
	3.81
TOTAL CANADIAN EQUITIES	8.02
FOREIGN EQUITIES	
Communication Services	
Alphabet Inc., Class ‘A’	7.65
Charter Communications Inc., Class ‘A’	3.04
Meta Platforms Inc., Class ‘A’	6.30
	16.99
Consumer Discretionary	
Amazon.com Inc.	7.55
LVMH Moet Hennessy Louis Vuitton SE, ADR	1.18
Netflix Inc.	3.48
	12.21
Financials	
Bank of America Corp.	5.39
JPMorgan Chase & Co.	7.47
PNC Financial Services Group Inc.	6.58
Wells Fargo & Co.	2.36
	21.80
Health Care	
Stryker Corp.	4.00
Thermo Fisher Scientific Inc.	4.87
	8.87
Industrials	
Cintas Corp.	1.46
Rockwell Automation Inc.	1.18
	2.64
Information Technology	
Accenture PLC, Class ‘A’	0.89
Apple Inc.	0.69
CloudFlare Inc., Class ‘A’	7.59
Figma Inc., Class ‘A’	1.72
Microsoft Corp.	6.44
PayPal Holdings Inc.	2.05
Synopsys Inc.	5.14
	24.52
Materials	
CRH PLC	0.25
	0.25
TOTAL FOREIGN EQUITIES	87.28
TOTAL EQUITIES	95.30
TOTAL INVESTMENTS HELD LONG	95.30
TOTAL COST AND FAIR VALUE OF INVESTMENTS*	95.30
TOTAL INVESTMENTS	95.30
TOTAL PURCHASED OPTION INVESTMENTS	0.07
OTHER ASSETS AND LIABILITIES	4.63
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	100.00

*Cost includes transaction costs

Percentage shown relates to investments at fair value at Net Assets Attributable to Holders of Redeemable Units (Net Assets) as at June 30, 2026.

The Fund’s summary of investment portfolio set out above will change due to ongoing portfolio transactions. A quarterly update is available on request.

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Forward-Looking Statements

This Semi-Annual Management Report of Fund Performance, including the "Results of Operations" and "Recent Developments" sections, may contain forward-looking statements. Forward-looking statements are predictive in nature, depend on or refer to future events or conditions, and are often identified by words or expressions such as "anticipate," "believe," "estimate," "expect," "intend," "plan," "target," "may," "will," "should," "would," "could" and similar expressions, including their negative forms. They may relate to, among other things, the future performance or prospects of the Fund or its portfolio investments, the Fund's investment strategies, or future economic and market conditions. Forward-looking statements reflect the Manager's expectations as of the date of this report and are based on assumptions the Manager considers reasonable in light of information then available. Unless otherwise indicated, material assumptions include those relating to the Fund's portfolio and investment strategies, economic, market and credit conditions, interest and foreign exchange rates, and future events described in this report. These statements are subject to risks, uncertainties and other factors that could cause actual results, performance or events to differ materially from those expressed or implied. Relevant factors may include general economic, political and market conditions in Canada and internationally; changes in interest and foreign exchange rates; volatility in equity, fixed-income, credit and other capital markets; developments affecting particular issuers, industries or sectors; changes in government policy, securities regulation or tax laws; judicial or regulatory proceedings; and catastrophic events. This list is not exhaustive, and assumptions may prove incorrect. Readers should not place undue reliance on forward-looking statements, and no assurance can be given that actual results, performance or events will be consistent with them. Forward-looking statements speak only as of the date of this report. Except as required by applicable securities laws, the Manager undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, changing circumstances or otherwise.

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