

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](http://www.matcofinancialinc.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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 annual management report 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 3, 2025. 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-to-medium.

### Results of Operations

The Fund's net assets increased to \$145 million at December 31, 2025 from \$142 million at December 31, 2024. Total investment income for the year ended December 31, 2025 was \$20 million, prior to income and operating expenses, up from \$17 million investment loss for year ended December 31, 2024.

The asset mix committee held steady with no portfolio or asset mix adjustments. The only activity was related to portfolio rebalancing due to fund purchases and fund redemptions.

### Recent Developments

Heading into 2025, the fund held an overweight position in Matco's Diversified Income strategy relative to our more growth oriented Canadian and Global Equity allocations—reflecting a more cautious stance based on our Investment Horizon Indicator. However, the onset of trade tensions—sparked by "Liberation Day"—led to a sharp market pullback, one the Balanced Fund was prepared to take advantage of. On April 4th, we reduced our exposure to Diversified Income and reallocated capital to global equities, taking advantage of more attractive valuations. This active portfolio adjustment has helped drive the strong performance year-to-date.

Looking ahead, Matco's outlook remains balanced yet cautious. With central banks shifting to rate cuts and economic growth showing mixed signals, the environment favors disciplined,

diversified positioning. The Fund is prepared to add equity exposure if economic data and valuations strengthen but will continue to rely on its income foundation and diversified mix to protect capital should headwinds persist. Overall, the focus remains on navigating this transitional phase with resilience, preserving stability today while positioning for sustainable growth as conditions improve.

For nearly a century, the story of global trade was one of progressive openness. From the early 1900s through the late 20th century, tariff barriers steadily declined, enabling multinational supply chains, cross-border capital mobility, and unprecedented economic expansion. That era is now behind us. The post-globalization environment is being reshaped by shifting geopolitical alliances, domestic political pressure, and a renewed embrace of protectionism as a policy tool.

In this new regime, the global effective tariff rate has surged from under 5% to a sustained range between 10% and 15%—levels not seen since the pre-globalization period. Once governments discover how tariffs contribute to fiscal revenue and national strategic leverage, they rarely reverse course. As such, a sub-10% world is unlikely to return in this decade. Tariffs are no longer a temporary political tactic; they are becoming structural.

Periods of uncertainty often trigger a flight toward perceived safety, especially cash and GICs. However, history remains unequivocal: long-term wealth is not created in cash, nor in locked-in deposit instruments that perpetually lag inflation and opportunity. Risk is not abnormal — risk is constant. Over my 16 years in capital markets, there has never been a year when investors were not climbing a "wall of worry." Successful investing is not about avoiding uncertainty, but about allocating capital where uncertainty is mispriced.

Today, opportunity lies where sentiment has been weakest, and where valuation and future growth potential align—most notably outside North America. Europe stands out as a region undergoing meaningful self-reinvention. Recognizing its vulnerabilities, particularly around energy dependency, defense readiness, and technology adoption, Europe has embarked on ambitious multi-year investment programs. Although valuations have begun to normalize following outperformance in 2025, the region still trades at a meaningful valuation discount relative to the U.S., and that discount is paired with credible growth trajectories.

### 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, 2025, the Fund incurred management fees payable to Matco of \$176,590 (year ended December 31, 2024 - \$194,308).

#### 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 year ended December 31, 2025 or 2024.

**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 five most recently completed financial years.

**The Fund's Net Assets per Unit** <sup>(1)(2)(3)(4)</sup>

<b>SERIES A</b>	<b>2022</b>	<b>2021</b>
<b>Net assets, beginning of period/year</b> <sup>(1)(2)</sup>	<b>13.39</b>	<b>12.57</b>
<b>Increase (decrease) from operations</b> <sup>(2):</sup>		
Total revenue	0.08	0.31
Total expenses	(0.10)	(0.25)
Net realized gains (losses)	0.07	0.48
Net unrealized gains (losses)	(0.97)	0.63
<b>Total increase (decrease) from operations</b> <sup>(2):</sup>	<b>(0.92)</b>	<b>1.17</b>
<b>Distributions</b> <sup>(3):</sup>		
From net investment income (excluding dividends)	—	(0.03)
From dividends	(0.02)	(0.04)
From capital gains	—	(0.26)
<b>Total distributions:</b>	<b>(0.02)</b>	<b>(0.32)</b>
<b>Net assets, end of period/year</b>	<b>—</b>	<b>13.39</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	—	\$690,638
Number of units outstanding <sup>(5)</sup>	—	51,571
Management expense ratio <sup>(6)</sup>	1.98%	2.00%
Management expense ratio before absorptions <sup>(6)</sup>	1.98%	2.00%
Portfolio turnover rate <sup>(7)</sup>	13.23%	16.65%
Trading expense ratio <sup>(8)</sup>	0.06%	0.04%
Net asset value per unit	—	\$13.39

<b>SERIES F</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Net assets, beginning of period/year</b> <sup>(1)(2)</sup>	<b>13.43</b>	<b>12.45</b>	<b>11.83</b>	<b>13.38</b>	<b>12.56</b>
<b>Increase (decrease) from operations</b> <sup>(2):</sup>					
Total revenue	0.37	0.38	0.38	0.35	0.31
Total expenses	(0.16)	(0.15)	(0.14)	(0.14)	(0.15)
Net realized gains (losses)	0.42	0.27	0.17	0.30	0.49
Net unrealized gains (losses)	1.22	0.73	0.55	(1.80)	0.61
<b>Total increase (decrease) from operations</b> <sup>(2):</sup>	<b>1.85</b>	<b>1.23</b>	<b>0.96</b>	<b>(1.29)</b>	<b>1.26</b>
<b>Distributions</b> <sup>(3):</sup>					
From net investment income (excluding dividends)	(0.16)	(0.16)	(0.14)	(0.07)	(0.06)
From dividends	(0.05)	(0.10)	(0.11)	(0.14)	(0.09)
From capital gains	(0.08)	—	(0.12)	(0.24)	(0.26)
<b>Total distributions:</b>	<b>(0.29)</b>	<b>(0.26)</b>	<b>(0.37)</b>	<b>(0.45)</b>	<b>(0.41)</b>
<b>Net assets, end of period/year</b>	<b>14.98</b>	<b>13.43</b>	<b>12.45</b>	<b>11.83</b>	<b>13.38</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	\$17,983,048	\$18,160,064	\$19,137,471	\$16,662,317	\$20,935,669
Number of units outstanding <sup>(5)</sup>	1,200,189	1,351,985	1,537,040	1,408,646	1,564,244
Management expense ratio <sup>(6)</sup>	1.25%	1.26%	1.28%	1.29%	1.27%
Management expense ratio before absorptions <sup>(6)</sup>	1.25%	1.26%	1.28%	1.29%	1.27%
Portfolio turnover rate <sup>(7)</sup>	5.98%	5.31%	10.74%	13.23%	16.65%
Trading expense ratio <sup>(8)</sup>	0.03%	0.04%	0.02%	0.06%	0.04%
Net asset value per unit	\$14.98	\$13.43	\$12.45	\$11.83	\$13.38

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For the Year Ended December 31, 2025

**MATCO BALANCED FUND**

<b>SERIES O</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Net assets, beginning of period/year<sup>(1)(2)</sup></b>	<b>13.43</b>	<b>12.41</b>	<b>11.79</b>	<b>13.35</b>	<b>12.54</b>
<b>Increase (decrease) from operations<sup>(2)</sup>:</b>					
Total revenue	0.37	0.38	0.37	0.35	0.32
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Net realized gains (losses)	0.42	0.26	0.17	0.30	0.49
Net unrealized gains (losses)	1.20	0.74	0.56	(1.69)	0.59
<b>Total increase (decrease) from operations<sup>(2)</sup>:</b>	<b>1.98</b>	<b>1.37</b>	<b>1.09</b>	<b>(1.05)</b>	<b>1.39</b>
<b>Distributions<sup>(3)</sup>:</b>					
From net investment income (excluding dividends)	(0.28)	(0.22)	(0.21)	(0.12)	(0.12)
From dividends	(0.08)	(0.14)	(0.16)	(0.23)	(0.16)
From capital gains	(0.09)	—	(0.12)	(0.24)	(0.26)
<b>Total distributions:</b>	<b>(0.45)</b>	<b>(0.36)</b>	<b>(0.49)</b>	<b>(0.59)</b>	<b>(0.54)</b>
<b>Net assets, end of period/year</b>	<b>14.98</b>	<b>13.43</b>	<b>12.41</b>	<b>11.79</b>	<b>13.35</b>

**Ratios and Supplemental Data**

Total net asset value <sup>(4)(5)</sup>	\$126,789,675	\$123,822,659	\$143,921,490	\$153,050,212	\$192,667,095
Number of units outstanding <sup>(5)</sup>	8,466,197	9,223,041	11,597,999	12,984,083	14,432,604
Management expense ratio <sup>(6)</sup>	0.20%	0.21%	0.23%	0.24%	0.21%
Management expense ratio before absorptions <sup>(6)</sup>	0.20%	0.21%	0.23%	0.24%	0.21%
Portfolio turnover rate <sup>(7)</sup>	5.98%	5.31%	10.74%	13.23%	16.65%
Trading expense ratio <sup>(8)</sup>	0.03%	0.04%	0.02%	0.06%	0.04%
Net asset value per unit	\$14.98	\$13.43	\$12.41	\$11.79	\$13.35

- (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 the year shown, as applicable, except Series N for 2018 which are from inception February 6, 2018 through December 31, 2018.
- (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.
- (9) Effective December 31, 2025, the Management Expense Ratio for years 2020-2024 was restated to include the effect of underlying funds' expenses. This change does not reflect higher actual costs, and all expenses were processed correctly, with no impact on fund performance or returns.

**Management Fees**

The annual management fee rate, exclusive of sales taxes, is 1.00% for. No management fees are charged directly to Series O.

During the year ended December 31, 2025, management fees totaled \$176,590 (year ended December 31, 2024 - \$194,308). Included in liabilities at December 31, 2025 is \$16,344 (December 31, 2024 - \$16,348) in respect of these fees.

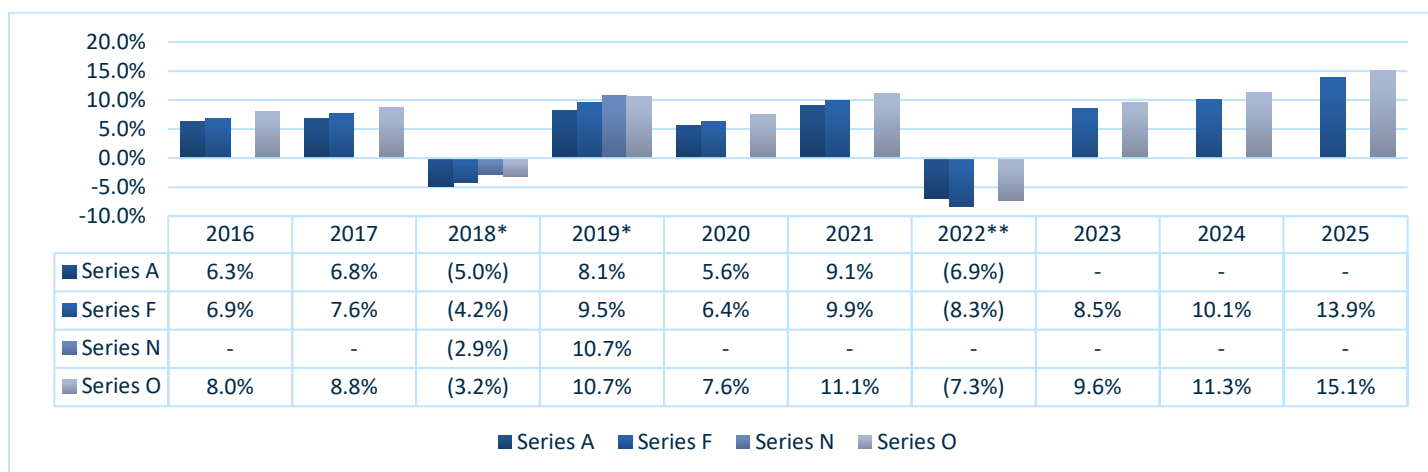
All management fees paid by Series F were applied to cover portfolio management and other services provided to the Fund by the Manager. No such fees were used to pay for external portfolio advisory fees, trailing or other sales commissions.

**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. 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).



\*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 2022 is January 1, 2022 through liquidation May 27, 2022.

**Annual Compound Returns**

	Series A	Series F	Series N	Series O	Blended Benchmark**
1 Year	-	13.9%	-	15.1%	14.2%
3 Year	-	10.8%	-	12.0%	12.5%
5 Year	-	6.5%	-	7.6%	7.1%
10 Year	-	5.8%	-	6.9%	7.1%
Since Inception <sup>+</sup>	-	-	3.9%	-	14.9%
Since Inception <sup>++</sup>	4.0%	-	-	-	5.1%

<sup>+</sup>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.

<sup>++</sup>Since inception values for Series A are from November 29, 2007 to April 29, 2022.

\*\* 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	40.4
Canadian Equity	32.5
Global Equity	26.8
Cash	0.4
Other Net Assets (Liabilities)	(0.1)

<b>Top Holdings*</b>	<b>% of Net Asset Value</b>
Matco Canadian Equity Income Fund, Series O	23.3
Matco Diversified Income Fund, Series O	40.4
Matco Global Equity Fund, Series O	26.8
Matco Opportunities Fund, Series O	9.2
Cash	0.4
<b>Total Net Asset Value</b>	<b>\$144,772,723</b>

\*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. All positions are therefore presented.

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.