

CANADIAN EQUITY FUND

**SOCIAL HOUSING
CANADIAN EQUITY FUND**

June 30, 2019

The Board of Directors of Encasa Financial Inc. approved this interim management report of fund performance on August 29, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

Encasa Financial Inc. is the manager (the “Manager”) and the portfolio manager (the “Portfolio Manager”) of the Fund.

This interim management report of fund performance contains financial highlights, but does not contain either the complete interim financial statements or the complete annual financial statements of the Fund. You can get a copy of the interim and the annual financial statements at your request, and at no cost, by calling 1-888-791-6671 x 237, by writing to Social Housing Investment Funds c/o Encasa Financial Inc., 119 Spadina Avenue, Suite 400, Toronto, Ontario, M5V 2L1, or by visiting the Manager’s website at www.encasa.ca or SEDAR at www.sedar.com.

Unitholders 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 relating to the Fund.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The investment objective of the Fund is to seek long-term capital growth by investing primarily in a diversified portfolio consisting of equity securities of companies located in Canada. The Fund generally invests in growth companies that have: superior management; industry leadership; a high level of profitability compared to their competitors; a sound financial position; strong earnings growth; and a reasonable valuation. The Fund may from time to time invest a portion of its assets in non-Canadian securities where such an investment is consistent with the investment objectives of the Fund. The Fund invests primarily in securities of companies that conduct themselves in a socially responsible manner.

Results of Operations

The Fund's net asset value was \$125 million as of June 30, 2019.

Over the past six months, the Fund's Series A units gained 10%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

With equity markets pricing in central bank rate cuts for the end of the year, global stock markets extended their gains after a brief pullback in May. Central banks around the globe followed the lead of the US Federal Reserve (the "Fed") over the quarter in taking a dovish tone. One indication of the potential weakening is the Purchasing Managers Index. This index illustrates the strength of the manufacturing sector which fell below 50 for several countries recently; readings below 50 are viewed as evidence of slowing economic growth. In conjunction with the absence of inflation, investors are expecting a soft landing for the economy and a central bank policy reversal.

The US has been busy on the trade front as negotiators kept pressure on trading partners. Trade talks with China began to break down early in the second quarter when Chinese officials pulled parts of the proposed trade agreement claiming that major policy and regulation overhauls were needed. The US retaliated with threats of tariffs on remaining Chinese imports. Despite the lack of meaningful progress, the leaders in both the US and China will face pressures from domestic and global economic slowdowns to reach an agreement.

The S&P 500 rose 18.54% (13.41% in CAD terms) during the first six months of the year. The strongest sectors were Information Technology and Consumer Discretionary. The underperforming sectors were Energy and Health Care.

Canada (S&P/TSX) rose similarly, growing at 16.22% over the first two quarters. Information Technology and Health Care led the way, with Communication Services and Energy taking a backseat.

Recent Developments

The S&P 500 index hit a new high on July 3, closing at 2995—just 5 points shy of 3000. The coming earnings season will give investors a glimpse of the impact that a US 25% tariff on \$200 billion worth of Chinese goods is likely to have on corporate earnings. The market has priced in significant optimism and we see the risk-versus-reward equation skewing toward the downside, leading us to stay invested in defensive sectors and IT. We continue to believe that technological advances and consolidation have been the major drivers of GDP growth by reducing redundancies and dead weight in many sectors.

Related-Party Transactions

Portfolio Manager, Registrar and Fund Accounting Agent

Encasa Financial Inc. is the portfolio manager and National Bank Financial Inc. is the registrar and fund accounting agent of the Fund. The fees paid to National Bank Financial Inc. are paid by the Manager and not the Fund.

Distributor

Worldsource Financial Management Inc. is the principal distributor of the Fund. The fees paid to Worldsource Financial Management Inc. are paid by the Manager and not the Fund.

Trustee and Custodian

Natcan Trust Company is the trustee and custodian of the Fund. Natcan Trust Company holds title to the Fund's property on behalf of unitholders and also holds the assets of the Fund. The fees paid to Natcan Trust Company are paid by the Manager and not the Fund.

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, 2019), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
June 30, 2019	17.57	0.26	(0.11)	0.01	1.62	1.78	–	–	–	–	–	19.32
Dec. 31, 2018	21.67	0.54	(0.25)	2.72	(4.34)	(1.33)	–	(0.14)	(2.51)	–	(2.65)	17.57
Dec. 31, 2017	19.42	0.49	(0.23)	0.78	1.74	2.78	–	(0.23)	(0.31)	–	(0.54)	21.67
Dec. 31, 2016	17.44	0.48	(0.21)	0.41	1.69	2.37	–	(0.26)	(0.13)	–	(0.39)	19.42
Dec. 31, 2015	18.27	0.50	(0.21)	0.80	(1.06)	0.03	–	(0.24)	(0.63)	–	(0.87)	17.44
Dec. 31, 2014	17.38	0.47	(0.21)	1.00	0.74	2.00	–	(0.25)	(0.86)	–	(1.11)	18.27
Series B												
June 30, 2019	8.43	0.13	(0.05)	–	0.76	0.84	–	–	–	–	–	9.28
Dec. 31, 2018	10.47	0.25	(0.13)	1.31	(2.10)	(0.67)	–	(0.03)	(1.28)	–	(1.31)	8.43
Dec. 31, 2017	9.38	0.24	(0.13)	0.38	0.88	1.37	–	(0.10)	(0.15)	–	(0.25)	10.47
Dec. 31, 2016	8.42	0.23	(0.11)	0.20	0.88	1.20	–	(0.11)	(0.06)	–	(0.17)	9.38
Dec. 31, 2015	8.84	0.24	(0.22)	0.39	(0.51)	(0.10)	–	(0.12)	(0.31)	–	(0.43)	8.42
Dec. 31, 2014 ³	10.00 [†]	0.02	(0.01)	0.05	0.04	0.10	–	(0.11)	(0.86)	–	(0.97)	8.84

¹ Net asset value 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.

² Distributions were paid in cash or reinvested in additional units of the Fund.

³ From November 24, 2014.

[†] Initial offering net assets value per unit.

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	MER (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2019	19.32	121,752	6,302	1.13	1.13	111.89	0.16
Dec. 31, 2018	17.57	116,134	6,611	1.08	1.08	87.45	0.10
Dec. 31, 2017	21.67	128,917	5,948	1.12	1.12	17.96	0.06
Dec. 31, 2016	19.42	117,291	6,040	1.17	1.17	23.91	0.10
Dec. 31, 2015	17.44	104,351	5,984	1.17	1.17	42.55	0.13
Dec. 31, 2014	18.27	103,069	5,642	1.17	1.17	36.91	0.16
Series B							
June 30, 2019	9.28	3,488	376	1.07	1.27	111.89	0.16
Dec. 31, 2018	8.43	3,245	385	1.26	1.42	87.45	0.10
Dec. 31, 2017	10.47	3,074	294	1.30	1.57	17.96	0.06
Dec. 31, 2016	9.38	2,029	216	1.34	1.70	23.91	0.10
Dec. 31, 2015	8.42	1,102	131	1.30	2.46	42.55	0.13
Dec. 31, 2014 ⁴	8.84	47	5	1.31	1.31	36.91	0.16

¹ The management expense ratio ("MER") is based on total expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. The Manager may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by the Manager of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by the Manager.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. 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 the 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 year. There is not necessarily a relationship between high turnover rate and the performance of a fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From November 24, 2014.

Management Fees

Encasa Financial Inc. is the Manager of the Fund. Management fees for each series of the Fund are calculated at the annual percentages, before taxes, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.00%	–	100%
Series B	1.20%	–	100%

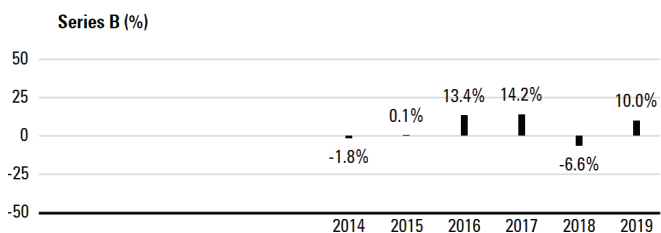
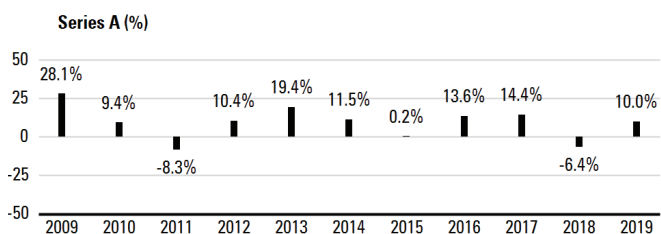
* Includes all costs related to management, portfolio management, registrar, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the series of the Fund for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.



Series B units have been available for sale to unitholders since November 2014. Inception dates are not provided for series that have been in existence for more than 10 years.

The 2014 year-by-year return for Series B represents the return from November 2014 to December 2014 only.

The year-by-year returns are for the 12-month periods ended December 31 and the six-month period ended June 30, 2019.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)
 As at June 30, 2019

Investment Mix

	% of Net Asset Value
Canadian Equities	69.3
United States Equities	22.1
Overseas Equities	7.1
Cash/Other	1.5

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	5.63
The Toronto-Dominion Bank	5.35
Canadian Pacific Railway Ltd.	3.81
Kirkland Lake Gold Ltd.	3.77
Parkland Fuel Corp.	3.62
CGI Inc.	3.57
Canadian National Railway Co.	3.08
Manulife Financial Corp.	3.03
Bank of Montreal	2.69
Gildan Activewear Inc.	2.68
Canadian Apartment Properties REIT	2.42
Microsoft Corp.	2.42
Air Canada	2.18
Quebecor Inc.	2.14
Enbridge Inc.	2.07
Metro Inc.	1.84
VMware Inc.	1.82
Algonquin Power & Utilities Corp.	1.80
Canadian Imperial Bank of Commerce	1.79
Magna International Inc.	1.67
Pembina Pipeline Corp.	1.66
Synchrony Financial	1.62
MetLife Inc.	1.61
Fortescue Metals Group Ltd.	1.60
Allied Properties Real Estate Investment Trust	1.55
Top 25 Holdings	65.42

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund. It is updated quarterly and may be obtained by calling 1-888-771-7473, by writing to Social Housing Investment Funds, 119 Spadina Avenue, Suite 400, Toronto, Ontario M5V 2L1, or by visiting the Manager's website at www.encasa.ca or SEDAR at www.sedar.com.