

EQUITY FUND

ENCASA EQUITY FUND*June 30, 2023*

The Board of Directors of Encasa Financial Inc. approved this interim management report of fund performance on August 23, 2023.

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 financial statements on request, and at no cost, by calling 1-888-791-6671, by writing to Encasa 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.sedarplus.ca.

Unitholders may also contact us using one of these methods to request a copy of the Fund’s proxy voting guidelines, 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 in a diversified portfolio consisting of equity securities of companies primarily located outside of Canada using a responsible investing approach.

The Fund generally invests in growing companies that demonstrate positive attributes in value, earnings growth, price momentum, analyst expectations; and balance sheet quality. The Fund invests primarily in securities of companies that conduct themselves in a responsible manner.

Results of Operations

The Fund's net asset value was \$148.3 million as of June 30, 2023.

Over the past six months, the Fund's Series A units gained 7.3%. 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 information on returns.

During the first quarter of 2023 stock markets got off to a strong start. In the US, the S&P 500 rose almost 9.0% in January but relinquished some gains in February and March due to turmoil in the financial sector and uncertainties about the outlook for economic growth, inflation and interest rates.

During the second quarter of 2023 the US equity markets were range-bound for most of the quarter before finally taking off in June. Stocks related to Artificial Intelligence (AI) led the charge while those in defensive sectors continued to lag. Overall, the S&P 500 returned 16.8% in Canadian dollar terms over the past 6 months.

Canadian stocks delivered more muted returns, reflecting in part the Canadian markets' lower exposure to technology-related companies. The S&P/TSX Composite index delivered a return of 8.2% over the past 6 months.

Canadian bond yields generally declined in the first quarter, but the resilience of the economy, strong employment and core inflation that remained above the Bank of Canada's target range led to a rise in interest rates in the second quarter. For the past 6 months, the broad bond market delivered a return of 5.0%, as measured by the FTSE Canada Universe Bond Index. The FTSE Short Term Overall Bond Index delivered 3.4% over the 6 months.

Recent Developments

The big story in the second quarter was the ongoing surge of US large-cap Information Technology and Media companies, which continued their uptrend from the first quarter. With the positive news that mega-cap names (such as Microsoft and Meta) had beaten their first-quarter earnings estimates, these giant stocks erased their losses from the previous year and regained their leading

roles. AI leader Nvidia beat earnings expectations dramatically in late May, adding further momentum to the AI beneficiaries. Meanwhile, because of better-than-expected economic data, the market outlook turned more positive overall, and cyclical sectors (including Consumer Discretionary and Industrials) became the second-best performers.

Perhaps because of the focus on AI and technology, financial markets did not react strongly to some of the other news headlines for the quarter, such as the US debt ceiling stand-off and its resolution.

Central banks around the world remained focused on inflation, and most major central banks continued to raise rates during the second quarter. The Bank of Canada (BoC) paused its rate hikes for two months before raising rates by 0.25% again in June, citing sticky inflation: despite ebbing, inflation remains above than the BoC's target range of 1-3%. The BoC also emphasized that Canada's economy remains resilient, with strong consumer demand and a tight labour market, leaving the door open for more increases to come. In the US, the Federal Reserve continued to hike rates throughout the first half of 2023 before taking a break in June. The Fed remained hawkish in tone, emphasizing that it remains committed to bringing inflation down and will take further action if required. Central banks in Europe, the UK and Australia also raised rates during the quarter. Bucking the trend were central banks in China, which lowered rates with the aim of stimulating economic growth, and Japan, which held rates steady with the view that inflation would naturally decelerate later in the year.

Labour markets in the US and Canada remain strong. Although unemployment rates ticked up slightly this quarter, they are still hovering around historic lows: 5.2% in Canada and 3.7% in the US. The healthy labour market may help explain why most central banks remain biased towards higher interest rates. Still, it is important to note that employment data generally lag the real economy and are among the last indicators to signal a recession. Typically, by the time employment begins to slow and unemployment rates rise, a recession has already begun. Even with the labour market's ability to withstand higher interest rates to date, many economists still expect a recession later this year or in 2024.

Heading into the third quarter, the Fund is overweight in large-cap IT companies. The Fund also favours more cyclical sectors. Although the market is showing optimism, the Fund is keeping things balanced with some defensive sector exposures as a hedge against unexpected shocks. In particular, the Fund is positioned neutrally versus the benchmark in Consumer Staples and are underweight in Materials. Style-wise, given the significant uptick in IT names, the Fund will continue to focus on growth. The Fund will also maintain its portfolios' high beta (that is, their risk profile and sensitivity to market changes). In terms of country allocations, the Fund is positioned for a strong

rebound in US equities and as such will be overweight in US stocks while underweight or neutral in Canada and the EAFE countries (Europe, Australasia and the Far East).

Related-Party Transactions***Portfolio Manager, Registrar and Fund Accounting Agent***

Encasa Financial Inc. ("Encasa") acts as the Manager and the Portfolio Manager of the Fund and earns fees from the Fund for such services. The Manager has appointed Genus Capital Management Inc. ("Genus Capital") as portfolio sub-adviser in respect of the Encasa Equity Fund. National Bank Financial Inc. ("National Bank") through its National Bank Independent Network division has been appointed as registrar and fund accounting agent of the Fund. The Fees paid to Genus Capital and National Bank are paid by the Manager and not the Fund. Neither Genus Capital nor National Bank are related to the Manager.

Distributor

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

Trustee and Custodian

Natcan Trust Company ("Natcan") is the trustee and custodian of the Fund. Natcan holds legal title to the property (the cash and securities) of the Fund on behalf of the Fund. The fees paid to Natcan are paid by the Manager and not the Fund. Natcan is not related to the Manager.

Brokers and Dealers

The Manager requires its portfolio sub-advisers to have in place appropriate compliance policies for Best Execution, Broker Selection and The Use of Client Brokerage Commissions.

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, 2023), and for the past five years. 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, 2023	17.43	0.22	(0.12)	0.19	0.98	1.27	–	–	–	–	–	18.70
Dec. 31, 2022	20.87	0.41	(0.24)	(0.85)	(2.61)	(3.29)	–	(0.17)	–	–	(0.17)	17.43
Dec. 31, 2021	20.03	0.66	(0.32)	2.94	0.79	4.07	(0.08)	(0.25)	(2.91)	–	(3.24)	20.87
Dec. 31, 2020	19.69	0.46	(0.24)	1.37	0.11	1.70	–	(0.22)	(1.14)	–	(1.35)	20.03
Dec. 31, 2019	17.57	0.48	(0.22)	0.51	1.78	2.55	–	(0.36)	(0.01)	–	(0.37)	19.69
Dec. 31, 2018	21.67	0.54	(0.25)	2.72	(4.34)	(1.33)	–	(0.14)	(2.51)	–	(2.65)	17.57

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 reinvested in additional units of the Fund.

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, 2023	18.70	148,257	7,927	1.13	1.13	156.26	0.24
Dec. 31, 2022	17.43	140,642	8,069	1.11	1.11	166.85	0.22
Dec. 31, 2021	20.87	169,871	8,139	1.12	1.12	140.63	0.19
Dec. 31, 2020	20.03	140,549	7,018	1.13	1.13	130.91	0.20
Dec. 31, 2019	19.69	127,724	6,486	1.12	1.12	107.29	0.17
Dec. 31, 2018	17.57	116,134	6,611	1.08	1.08	87.45	0.10

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.

FINANCIAL HIGHLIGHTS (cont.)
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:

Series A	Management Fees	Breakdown of Services	
		Distribution	Other*
	1.00%	7%	93%

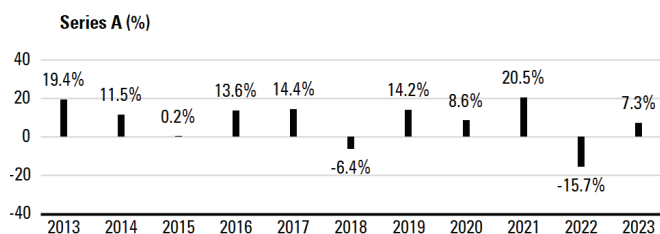
* Includes all costs related to management, portfolio management, registrar, general administration and profit.

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 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.



For the 12-month periods ended December 31 and the six-month period ended June 30, 2023.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2023

Investment Mix

	% of Net Asset Value
United States Equities	48.5
Canadian Equities	29.8
Overseas Equities	20.9
Cash/Other	0.8

Top 25 Holdings

	% of Net Asset Value
Microsoft Corp.	3.9
The Toronto-Dominion Bank	3.6
National Bank of Canada	3.2
NVIDIA Corp.	2.7
CGI Inc.	2.6
Bank of Montreal	2.4
Metro Inc.	2.0
Novo Nordisk A/S	2.0
Open Text Corp.	1.9
Lattice Semiconductor Corp.	1.9
Dollarama Inc.	1.9
Intuitive Surgical Inc.	1.9
Linamar Corp.	1.8
Cadence Design Systems Inc.	1.7
Marathon Oil Corp.	1.7
Chipotle Mexican Grill Inc.	1.7
Shin-Etsu Chemical Co., Ltd.	1.7
Kimberly-Clark Corp.	1.6
Deutsche Telekom AG	1.6
Moody's Corp.	1.6
Merck & Co Inc.	1.6
Visa Inc.	1.6
Vinci SA	1.5
Cisco Systems Inc.	1.5
ARC Resources Ltd.	1.5
Top 25 Holdings	51.1

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 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.sedarplus.ca.