

EQUITY FUND

ENCASA EQUITY FUND*June 30, 2024*

The Board of Directors of Encasa Financial Inc. approved this interim management report of fund performance on August 21, 2024.

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., 20 Dundas St W, Suite 1030, Toronto, Ontario, M5G 2C2, 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 \$181.6 million as of June 30, 2024.

Over the past six months, the Fund's Series A units gained 17.9%. Unlike benchmarks, 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 2024, equity markets experienced strong performance. In CAD terms, the MSCI World Index, S&P 500, and TSX rose by 11.9%, 13.5%, and 6.6%, respectively. This robust performance, driven primarily by US stocks, was bolstered by ongoing advancements in AI and moderate economic data, which raised market expectations for a potential US Federal Reserve ("Fed") rate cut in the near future. Unlike the previous year, where outperformance was dominated by a handful of large US technology-focused companies, this quarter saw a more diverse range of leading stocks. Momentum investing emerged as the clear winner, with investors favouring high-momentum, high-quality stocks across the board.

The equity markets ended the second quarter on a high note after a dip in April, supported by a rebound and continued strength in technology and AI stocks. In CAD terms, the MSCI World Index and S&P 500 increased by 3.9% and 5.5%, respectively, while the TSX saw a slight decline of 0.5%. Globally, the rebound in the latter half of the quarter was led by the IT and Communication sectors, with AI-related stocks maintaining their leadership. In contrast, more economically sensitive sectors, such as Real Estate, Materials, and Industrials, lagged behind.

Recent Developments

In June, central banks in Canada and Europe lowered their interest rates in response to decreasing inflation and a slowing global economy. In the US, falling inflation supports the case for potential Fed rate cuts in the latter half of 2024. This scenario suggests a "Goldilocks" economy, where inflation stabilizes near the 2% target, labour markets and consumers remain resilient, and the economy continues to grow slowly, indicating a potential soft landing.

The Purchasing Managers' Index (PMI) for both services and manufacturing ended Q2 in contractionary territory, below the consensus expectation. The service sector, expected to remain expansionary, was sluggish due to employment and new orders falling below 50 (contractionary territory). US consumer confidence also declined to its lowest levels in two years, despite a robust labour market. However, rising unemployment in the second half of the year could further impact confidence.

The AI sector, led by Nvidia, remained prominent in Q2, with strong performances from Broadcom, Arista Networks, Qualcomm, and Dell Technologies. Solid stock picks in IT contributed to the Fund's continued outperformance. Conversely, expectations of delayed Fed rate cuts amid sticky inflation weakened economically sensitive sectors like Energy and Materials, and higher borrowing costs impacted homebuilders. The Fund trimmed weaker names in these areas to realize gains, favouring large-cap, high-momentum, high-quality stocks with a slightly lower-than-market beta.

As we approach the second half of the year, the Fund is monitoring several key topics: potential economic slowdown, the durability of the AI sector's growth, and the impact of the upcoming US presidential election. Our strategy involves being slightly overweight in growth stocks with solid fundamentals while maintaining neutral positions in cyclical and defensive sectors. Given the expected gradual decline in inflation, the Fund will stay overweight in gold stocks. Geographically, the Fund favours the US, followed by non-North American markets, and remains underweight in Canada due to weaknesses in energy companies and Canadian banks.

Related-Party Transactions

Portfolio Manager, Registrar and Fund Accounting Agent

Encasa Financial Inc. 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, transfer 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, 2024), 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, 2024	19.65	0.28	(0.16)	1.48	1.92	3.53	–	–	–	–	–	23.17
Dec. 31, 2023	17.43	0.42	(0.24)	0.47	1.72	2.37	–	(0.15)	–	–	(0.15)	19.65
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

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, 2024	23.17	181,614	7,838	1.11	1.11	128.72	0.15
Dec. 31, 2023	19.65	155,807	7,930	1.12	1.12	147.02	0.23
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

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%	9%	91%

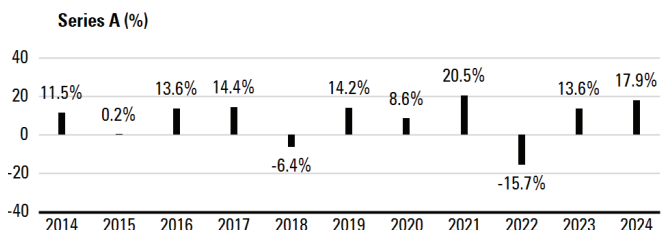
* Includes all costs related to management, portfolio management, registrar, general administration and profit.

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, 2024.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)
 As at June 30, 2024

Investment Mix

	% of Net Asset Value
United States Equities	50.5
Canadian Equities	29.6
Overseas Equities	19.1
Cash/Other	0.9

Top 25 Holdings

	% of Net Asset Value
NVIDIA Corp.	5.31
Alphabet Inc.	3.68
Broadcom Inc.	3.15
Constellation Software Inc.	2.82
Dollarama Inc.	2.76
Quebecor Inc.	2.71
Celestica Inc.	2.59
Parkland Corp.	2.57
Canadian National Railway Co.	2.34
Fairfax Financial Holdings Ltd.	2.31
Acuity Brands Inc.	2.31
Novo Nordisk A/S	2.29
Sprouts Farmers Market Inc.	2.25
National Bank of Canada	2.16
Visa Inc.	1.94
SBI Holdings Inc/Japan	1.93
Chipotle Mexican Grill Inc.	1.89
Kinross Gold Corp.	1.82
NN Group NV	1.74
Gibson Energy Inc.	1.67
Alamos Gold Inc.	1.66
Lam Research Corp.	1.61
Republic Services Inc.	1.52
NetApp Inc.	1.50
Edwards Lifesciences Corp.	1.47
Top 25 Holdings	58.00

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., 20 Dundas St W, Suite 1030, Toronto, Ontario M5G 2C2, or by visiting the Manager's website at www.encasa.ca or SEDAR+ at www.sedarplus.ca.