

FIXED-INCOME FUND

**ENCASA CANADIAN  
SHORT-TERM BOND FUND***June 30, 2025*

The Board of Directors of Encasa Financial Inc. approved this interim management report of fund performance on August 7, 2025.

**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](http://www.encasa.ca) or SEDAR+ at [www.sedarplus.ca](http://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 obtain a relatively high level of current interest income consistent with preserving capital and maintaining liquidity by investing primarily in Canadian short-term debt instruments using a responsible investment approach. The Fund invests primarily in high-quality debt obligations issued or guaranteed by the Government of Canada, provincial or territorial governments or their agencies, Canadian chartered banks, Canadian loan or trust companies, and Canadian corporations and with a rating not lower than BBB by an approved credit rating agency. The average term to maturity of the Fund's portfolio is typically one to five years.

### Results of Operations

The Fund's net asset value was \$239.9 million as of June 30, 2025.

Over the past six months, the Fund's Series A units gained 1.8%. 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.

The most significant development for Canada's economy during the period was the threat of tariffs by the new US administration. Changing announcements about the size, timing and effects of tariffs created uncertainty for businesses, consumers and policymakers. The result was a mixed economic picture, as the Canadian economy continued to grow slowly, but unemployment rose slightly. Similarly, the inflation picture was mixed, with lower energy prices helping to bring down headline inflation, while "core" inflation, which excludes volatile items such as food or energy, remained around 3%, above the Bank of Canada's 2% target.

During the past six months, the Fund increased its investment in Federal bonds, meaning that we lent more to the Government of Canada and its agencies (such as CHT). We also increased our holdings of Corporate and Municipal bonds, lending more to companies and municipalities. We made these investments by reducing our holdings of Provincial bonds, where we reduced our holdings of Ontario bonds in favour of Quebec and Manitoba.

### Recent Developments

To date, the impacts of tariffs have been limited, which has helped reduce the risk of a recession. Although the Canadian economy is growing at a historically slow rate and unemployment has increased slightly, wages are continuing to grow for people with jobs, which has helped consumers to keep spending. Trade negotiations with the US are ongoing and the outcome of talks will have a significant impact on the future path of the economy.

### 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 Addenda Capital Inc. ("Addenda") as portfolio sub-adviser in respect of the Encasa Canadian Short-Term Bond 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 Addenda and National Bank are paid by the Manager and not the Fund. Neither Addenda nor National Bank are related to the Manager.

#### ***Distributors***

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, 2025), 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 <sup>1</sup>					Annual Distributions <sup>2</sup>					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	Total	
		Series A										
Jun. 30, 2025	9.80	0.16	(0.04)	0.03	0.02	0.17	(0.13)	—	—	—	(0.13)	9.84
Dec. 31, 2024	9.57	0.33	(0.08)	0.01	0.22	0.48	(0.24)	—	—	—	(0.24)	9.80
Dec. 31, 2023	9.38	0.30	(0.07)	(0.22)	0.41	0.42	(0.23)	—	—	—	(0.23)	9.57
Dec. 31, 2022	10.10	0.28	(0.08)	(0.32)	(0.39)	(0.51)	(0.21)	—	—	—	(0.21)	9.38
Dec. 31, 2021	10.45	0.25	(0.08)	(0.05)	(0.31)	(0.19)	(0.16)	—	—	—	(0.16)	10.10
Dec. 31, 2020	10.11	0.25	(0.08)	0.19	0.14	0.50	(0.16)	—	—	—	(0.16)	10.45

<sup>1</sup> 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.

<sup>2</sup> 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 (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Jun. 30, 2025</b>	<b>9.84</b>	<b>239,930</b>	<b>24,380</b>	<b>0.79</b>	<b>0.79</b>	<b>207.13</b>	—
Dec. 31, 2024	9.80	236,768	24,152	0.80	0.80	94.04	—
Dec. 31, 2023	9.57	242,726	25,363	0.79	0.79	87.97	—
Dec. 31, 2022	9.38	241,228	25,708	0.79	0.79	148.25	—
Dec. 31, 2021	10.10	258,584	25,606	0.79	0.79	108.57	—
Dec. 31, 2020	10.45	263,411	25,202	0.80	0.80	149.84	—

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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*
	0.80%	9%	91%

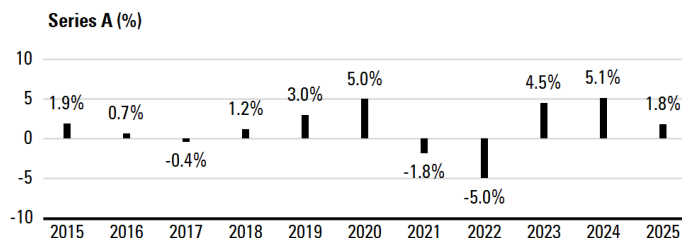
\* Includes all costs related to management, portfolio management, registrar, general administration and profit.

## 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, 2025.

## SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2025

### Investment Mix

	% of Net Asset Value
Corporate Bonds	47.8
Federal Bonds	32.1
Provincial/Municipal Bonds	15.0
Supranationals	3.1
Asset-Backed Securities	1.2
Mortgage-Backed Securities	0.4
Cash/Other	0.4

### Top 25 Holdings

	% of Net Asset Value
Canada Housing Trust No 1 2.85% 15JUN30	10.4
Province of Ontario Canada 1.55% 01NOV29	10.2
Canadian Government Bond 2.75% 01MAR30	5.6
Canadian Government Bond 2.25% 01DEC29	5.2
Canada Housing Trust No 1 1.60% 15DEC31	4.1
Canadian Government Bond 3.50% 01MAR28	2.8
Royal Bank of Canada 5.096% 03APR34	2.2
Province of Ontario Canada 4.05% 02FEB32	2.2
Manulife Financial Corp. 5.409% 10MAR33	1.8
Canadian Government Bond 4.50% 01NOV25	1.7
Federation des Caisses Desjardins du Quebec 5.20% 01OCT25	1.7
RioCan Real Estate Investment Trust 1.974% 15JUN26	1.6
Inter-American Development Bank 4.60% 01MAR29	1.5
Canadian Imperial Bank of Commerce 5% 07DEC26	1.4
The Toronto-Dominion Bank 4.477% 18JAN28	1.2
CPPIB Capital Inc. 3% 15JUN28	1.2
The Toronto-Dominion Bank 4.002% 31OCT30	1.2
Royal Bank of Canada 3.411% 12JUN29	1.2
Granite REIT Holdings LP 3.062% 04JUN27	1.1
Brookfield Asset Management Inc. 4.82% 28JAN26	1.1
Rogers Communications Inc. 3.65% 31MAR27	1.1
National Bank of Canada 1.534% 15JUN26	1.1
Saputo Inc. 2.242% 16JUN27	1.1
Canadian National Railway Co. 4.60% 02MAY29	1.0
The Empire Life Insurance Co. 2.024% 24SEP31	1.0
<b>Top 25 Holdings</b>	<b>64.5</b>

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