



OUTCOME CANADIAN EQUITY INCOME FUND

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 416-687-6680 (collect), by writing to us at 1 Richmond Street West, Suite 903, Toronto, ON Canada M5H 3W4 or by visiting our website at www.outcomewm.com or SEDAR at www.sedar.com

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

For the year ended December 31, 2023

Outcome Metric Asset Management LP
1 Richmond St West, Suite 903
Toronto, Ontario
Canada M5H 3W4

Forward-Looking Statements (“FLS”)

The Annual Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of one of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in the Fund?” in the Fund’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a Fund’s current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. 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.

OUTCOME CANADIAN EQUITY INCOME FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

(Expressed in Canadian dollars)

Management Discussion of Fund Performance for the year ended December 31, 2023

This Annual Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the year ended December 31, 2023, the investment fund's annual period. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Funds' Simplified Prospectus ("Prospectus"). In this report, "Manager", refers to Outcome Metric Asset Management Limited Partnership., the Manager of the Fund. The "Fund" refers to the Outcome Canadian Equity Income Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars and are expressed in millions, unless otherwise indicated.

Investment Objective and Strategies

The Fund's investment objective is to provide a higher yield than the TSX Composite Index while maximizing total investment return and attempting to preserve capital during bear markets through diversification across a broad range of securities. The fund intends to achieve its investment objective by investing in dividend paying securities listed on the Toronto Stock Exchange.

The Manager uses a 100% systematic, algorithmically driven, rules-based process to construct the portfolio. The TSX is screened for equity securities that have stable and growing dividend payments, must not have cut their dividends in the past five years and have increased dividends in at least three of the past five years. The remaining stocks are then weighted according to a nonlinear ratio of their respective dividend yields to their respective volatilities. Individual stocks are capped at 5% and sector weights are capped at 25% of NAV at the time of investment. The portfolio is rebalanced on a semi-annual basis and, to the extent available, pays quarterly distributions. The Manager will not invest the Fund's portfolio in foreign securities unless such securities are listed for trading on the TSX. No more than 10% of NAV will be invested in foreign securities.

Risk

The risks associated with investing in the Fund remain as discussed in the simplified Prospectus. The Fund is suitable for investors looking for a medium level of risk that is based on a research-driven, concentrated portfolio of Canadian Companies with a medium to longer term investment horizon.

For the year ended December 31, 2023, there were no changes affecting the overall level of risk associated with an investment in the Fund. Therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the Prospectus.

Results of Operations

From June 30, 2023 to December 31, 2023, the Fund's net assets increased from \$30.1 million to \$42.7 million. The Fund had net sales of \$12.2 million during the period, consisting of \$16.7 million in subscriptions and \$4.5 million in redemptions, with performance increasing assets by \$0.50 million. The Fund paid distributions totaling \$1.14 million.

The largest positive contributors to Fund performance were Kinross Gold Corporation, which rose 28.2%, Parkland Corporation, which rose 31.5%, and Toromont Industries Ltd., which rose 7.5%. The largest detractors from performance were Cogeco Communications Inc., which declined 13.7%, BCE Inc., which declined 10.4%, and Saputo Inc., which declined 8.4%.

In terms of sectors, the largest positive contributors were the non-energy minerals and distribution services sectors, while the sectors which most detracted from the portfolio's returns were the consumer services and communications sectors.

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Management Discussion of Fund Performance for the year ended December 31, 2023

Recent Developments

The Fund's portfolio was rebalanced at the end of December in accordance with its stated algorithmically driven, rules-based investment process.

The portfolio added new positions in Cogeco Communications Inc., Centerra Gold Inc., Kinross Gold Corporation, Smartcentres Real Estate Investment Trust, and Tourmaline Oil Corp. With respect to increases in preexisting positions, the largest additions include TMX Group Inc., George Weston Limited, Tourmaline Oil Corp., and Canadian Apartment Properties Real Estate Investment Trust.

The portfolio eliminated its positions in Brookfield Corporation, Lundin Mining Corporation, Wheaton Precious Metals Corp., and West Fraser Timber Co. Ltd. With respect to decreases in preexisting positions, the largest reductions include Open Text Corporation, TC Energy Corporation, Enbridge Inc., and Finning International Inc. From a sector exposure perspective, the portfolio's weightings in consumer services, non-energy minerals, and financials experienced the largest increases, while those in industrial services, technology services, and distribution services experienced the largest decreases.

The changes to the portfolio during the period resulted in an increase in portfolio risk/beta from 0.83 to 0.97.

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Related Party Transactions

Management fees:

The Fund pays the Manager a monthly management fee for providing their services to the Fund. Redeemable units of the class are charged annual management fees equal to the percentages of the class NAV of the said class of the Fund, calculated and accrued on each Valuation Date and payable monthly in arrears as of the last business day of each month:

- Class A: 0.95% per annum
- Class B: 0.90% per annum
- Class C: 0.85% per annum
- Class D: 0.80% per annum
- Class E: 0.75% per annum
- Class F: 0.70% per annum
- Class G: 0.65% per annum

Expense Reimbursement:

During the year ended December 31, 2023, the Manager has absorbed \$104,165 (2022 - \$32,788) of the Fund's expenses and \$10,915 are receivable from the Manager in respect of expense reimbursements, as at December 31, 2023 (2022 - \$32,788).

As at December 31, 2023, in addition to the reimbursement receivable \$nil (2022 - \$216), is due from the Manager in respect of expense payments.

OUTCOME CANADIAN EQUITY INCOME FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

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Management Discussion of Fund Performance for the year ended December 31, 2023

Financial Highlights

The following tables show selected key financial information about the Class A, Class B, Class C, Class D, Class E, Class F, and G units of the Fund, respectively, and are intended to help you understand the Fund's financial performance. Past performance is not available as fund became public on May 1, 2023. Performance will be available after 1 year of operation as a public mutual fund.

| | December 31, 2023 | | | | | | |
|---|-------------------|----------------|----------------|---------------|---------------|---------------|---------------|
| | Class A | Class B | Class C | Class D* | Class E* | Class F* | Class G* |
| Net assets attributable to holders of redeemable units, beginning of year ⁽¹⁾ | \$10.98 | \$10.18 | \$12.20 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Increase (decrease) in net assets attributable to holders of redeemable units: | | | | | | | |
| Total revenue | 0.41 | 0.30 | 0.46 | 0.31 | 0.31 | 0.32 | 0.31 |
| Total expenses | (0.14) | (0.12) | (0.14) | (0.09) | (0.08) | (0.08) | (0.07) |
| Realized gain (loss) for the year | 0.10 | 0.14 | 0.11 | 0.10 | 0.06 | 0.07 | 0.08 |
| Unrealized gain (loss) for the year | (0.12) | 2.52 | - | (0.09) | (0.27) | (0.21) | (0.52) |
| Total increase (decrease) in net assets attributable to holders of redeemable units ⁽²⁾ | 0.25 | 2.84 | 0.43 | 0.23 | 0.02 | 0.10 | (0.20) |
| Distributions: | | | | | | | |
| From income (excluding dividends) | - | - | - | - | - | - | - |
| From dividends | (0.23) | (0.12) | (0.31) | (0.23) | (0.24) | (0.25) | (0.24) |
| From capital gains | (0.16) | (0.21) | (0.23) | (0.18) | (0.19) | (0.18) | (0.12) |
| Return of capital | - | - | - | - | - | - | - |
| Total Distributions ^{(2) (3)} | (0.39) | (0.33) | (0.54) | (0.41) | (0.43) | (0.43) | (0.36) |
| Net assets attributable to holders of redeemable units, end of year ⁽²⁾ | \$11.07 | \$10.26 | \$12.31 | \$9.58 | \$9.58 | \$9.58 | \$9.58 |
| Ratios and Supplemental Data | | | | | | | |
| Total Net Asset Value ⁽⁴⁾ | \$11,125,483 | \$3,268,977 | \$7,257,114 | \$1,605,816 | \$14,452,828 | \$2,686,673 | \$2,257,437 |
| Number of units outstanding ⁽⁴⁾ | 1,004,652 | 318,533 | 589,588 | 167,656 | 1,508,733 | 280,324 | 235,660 |
| Management expense ratio ⁽⁵⁾ | 1.27% | 1.14% | 1.11% | 1.11% | 1.05% | 1.01% | 0.89% |
| Trading expense ratio ⁽⁶⁾ | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% | 0.11% |
| Portfolio turnover rate ⁽⁷⁾ | 53.56% | 53.56% | 53.56% | 53.56% | 53.56% | 53.56% | 53.56% |
| Net Asset Value per Unit | \$11.07 | \$10.26 | \$12.31 | \$9.58 | \$9.58 | \$9.58 | \$9.58 |

* The class is for the period from February 17, 2023 (inception date of the series) to December 31, 2023

Notes:

- (1) This information is derived from the Fund's annual financial statements for December 31, 2023 and is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase from operations is based on the weighted average number of units outstanding over the financial year.
- (3) Distributions were paid in cash or automatically reinvested in additional units of the Fund, or both.
- (4) This information is provided as at December 31, of the year shown, as applicable.
- (5) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average NAV during the year.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the year. Included in the trading expense ratio are the forward fees.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the units in its portfolio once in the course of the year. The higher a funds' portfolio turnover rate in the 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 a high turnover rate and the performance of a fund.

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MANAGEMENT REPORT OF FUND PERFORMANCE

(Expressed in Canadian dollars)

Management Discussion of Fund Performance for the year ended December 31, 2023

The following table shows selected key financial information about the Fund and is intended to assist in the understanding of the Fund's financial performance for the year ended December 31, 2023

| Portfolio Composition | | Top 25 Holdings | |
|-----------------------------------|-----------------------------|---|-----------------------------|
| Sector Allocation | % of Net Asset Value | Issuers | % of Net Asset Value |
| | | LONG POSITIONS | |
| Basic Materials | 11.73% | Saputo Inc. | 4.84% |
| Communications | 19.26% | BCE Inc. | 4.83% |
| Consumer, Cyclical | 0.94% | Quebecor Inc. | 4.83% |
| Consumer, Non-cyclical | 16.28% | CCL Industries Inc. | 4.81% |
| Energy | 9.31% | Canadian National Railway Co. | 4.81% |
| Financial | 11.87% | Cogeco Communications Inc. | 4.80% |
| Industrial | 15.73% | Toromont Industries Ltd. | 4.80% |
| Technology | 3.17% | TELUS Corp. | 4.80% |
| Utilities | 11.88% | Agnico Eagle Mines Ltd. | 3.97% |
| Cash and cash equivalent | 0.24% | Centerra Gold Inc. | 3.91% |
| Other assets and liabilities | (0.41%) | George Weston Ltd. | 3.82% |
| | | Metro Inc. | 3.82% |
| Total Portfolio Allocation | 100.00% | Empire Co., Ltd. | 3.80% |
| | | B2Gold Corp. | 3.77% |
| Total Net Assets Value | \$42,654,328 | Open Text Corp. | 3.17% |
| | | Hydro One Ltd. | 2.88% |
| | | Emera Inc. | 2.82% |
| | | Intact Financial Corp. | 2.79% |
| | | TMX Group Ltd. | 2.78% |
| | | Fortis Inc. | 2.74% |
| | | Canadian Apartment Properties REIT | 2.56% |
| | | Tourmaline Oil Corp. | 1.89% |
| | | Canadian Utilities Ltd. | 1.71% |
| | | TC Energy Corp. | 1.54% |
| | | Enbridge Inc. | 1.48% |
| | | Total % of Net Asset Value Represented by Holdings | 87.97% |

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.