

Forstrong Global Income ETF

Interim Management Report of Fund Performance

The interim Management Report of Fund Performance for Forstrong Global Income ETF contains financial highlights but does not contain either interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-888-419-6715, by writing to us at Suite 203 – 1180 Sunset Drive, Kelowna, British Columbia V1Y 9W6 or by visiting our website at www.forstrongetfs.com 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 policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

This report may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent certain beliefs regarding future events. By their nature, forward-looking statements involve assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on any forward-looking statements contained in this report as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements. Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the fund may invest and the risks detailed from time to time in the fund's prospectus. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking statements to make decisions with respect to investing in the fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Because of the potential impact of these factors, Forstrong Global Asset Management Inc. does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

Management Discussion of Fund Performance

Forstrong Global Asset Management Inc. (“Forstrong”) is pleased to provide you with the Management Report of Fund Performance (“MRFP”) for the Forstrong Global Income ETF (the “Fund”) for the for the period from for the period ended June 30, 2024

Investment Objectives and Strategies

The Fund aims to achieve modest capital appreciation and steady generation of income by primarily investing, directly or indirectly, in a diversified mix of yield-oriented exchange traded funds (“ETFs”), such as bonds, dividend-paying stocks, and real estate investment trusts that pay interest, dividends, and rental income.

The Fund is authorized to issue an unlimited number of units issuable in an unlimited number of classes. Two classes are currently active. ETF units (Class C) are available for all investors, which trade on the Toronto Stock Exchange under the symbol FINC. Mutual Fund Units (Class O) are for investors who are participants in a fee-for-service or wrap account program sponsored by certain registered dealers.

To achieve the Fund’s investment objective, the portfolio manager will use an active, top-down multi-asset approach to portfolio construction and management across global risk factors; and will combine a long-term view of global macro trends with a short-term cyclical outlook with the aim of determining optimal asset allocation.

For a complete discussion of the Fund’s investment objective and strategies, please refer to the Fund’s most recently filed simplified prospectus.

Risk

The risks of investing in the Fund are disclosed in the Fund’s most recently filed simplified prospectus and there have been no significant changes during the period that have affected the overall level of risk associated with the Fund.

Results of Operations

Changes to net asset mix were relatively minor for the period ended June 30, 2024. The Fund’s neutral positioning in cash and equivalents was reduced to underweight in mid-June. The Manager noted that the opportunity cost of holding cash was increasing, as yields would likely be pressured lower by central bank interest rate cuts, which also make risk assets more attractive.

Material trades made during the period included shifting from a currency-hedged (US dollars hedged to Canadian dollars) position in US bank equities to an unhedged version. The Manager expected that on a shorter time horizon, the US dollar should be supported by a widening interest rate differential versus the Canadian dollar, as the Bank of Canada had more imperative to cut interest rates.

Global stocks performed well in the first quarter of 2024, with the MSCI All-Country World Index rising approximately 11% in Canadian dollar terms. Strong economic data in the US and forecasts for the widespread adoption of artificial intelligence continued to spur the equity bull market. The US financial services and energy sectors had very strong quarters as well.

In contrast to stocks, aggregate bond index returns were a minor negative in Q1, as the robust US economic data, especially from the labour market, pushed out the likelihood of a cut in short-term interest rates from the Federal Reserve.

The second quarter of 2024 produced mixed results for global asset classes. Most major stock markets continued their run of strong performance. AI-related exposures led the way, as the information technology and communications sectors sharply outpaced the rest of the market. Bonds languished, particularly longer-term debt, as sticky inflation and constructive economic data put modest upwards pressure on yields.

The portfolio was positioned for a strong economic and equity environment and generated positive absolute returns during the first 6 months of 2024. Net asset mix positioning bolstered performance during the period, as overweight exposure to equities sharply outperformed fixed income. Overweight positioning in emerging markets bonds outperformed; particularly high yield corporates which saw a pronounced spread tightening. Short duration and overweight corporate issuer fixed income positioning also boosted performance versus bond aggregates.

Modestly underweight exposure to US stocks (and overweight international and emerging markets stocks) detracted from performance as the US was amongst the top performing major markets during the period. Overweight positioning in global metals and mining stocks struggled and a partial hedge on US dollar exposure was also a hindrance, as deferred Federal Reserve rate cut expectations supported the US dollar.

The Fund's net asset value increased from \$1,019,383 at December 31, 2023 to \$1,554,913 at June 30, 2023. This change in net asset value represents an increase of \$520,475 due to net subscriptions to the Fund and \$15,055 due to investment operations less distributions paid.

Distributions

From January 1, 2024, to June 30, 2024, there were no distributions paid to unitholders.

Income and Expenses

From January 1, 2024, to June 30, 2024, the Fund generated net investment income from investments of \$27,990. The Fund incurred management, operating and transaction expenses of \$62,272 of which \$49,337 was either paid or absorbed by Forstrong on behalf of the Fund.

Recent Developments

At the beginning of 2024, the positioning in cash and fixed income had become crowded and vulnerable to a sharp reversal. This set the stage for strong equity market performance, as US economic growth continued to surge, and global trade showed signs of revival over the first half of the year.

However, despite continued signs of economic strength and more entrenched inflation, many investors remained anchored to the past decade, forecasting a return to slow growth and low inflation.

The investment team maintained its conviction that a new investment cycle is unfolding, led by productive assets in the real economy and underpinned by the unwinding of extreme risk aversion. In line with that view, heading into the second half of the year, positioning remains light on mega-cap technology-related exposures and overweight pro-cyclical positions that benefit from a rotation into the broader stock market.

Within the fixed income asset class, as major central banks have embarked on easing cycles, the attractiveness of has bonds improved. As such, the team opted to moderate its underweight fixed income positioning, relative to the beginning of the

year. In addition, despite the improvement in the overall outlook for bonds, the risk/reward ratio for longer-term bonds remained unattractive. Therefore, short duration fixed income positioning was maintained.

Finally, despite pockets of equity overvaluation, the investment team maintained that broadening global growth momentum would be supportive of corporate earnings. Moreover, the abundance of defensively positioned capital yet to re-enter global equity markets would provide more fuel for global stock markets. As such, equity exposure was held overweight to end the six-month period.

Fee Changes

Effective July 29, 2024, the Management Fee payable to the Manager for the Class C and Class O Units was reduced from 0.55% to 0.50%, of the aggregate NAV of the Class per annum, plus applicable taxes.

Related Party Transactions

Related party transactions consist of services provided by Forstrong pursuant to a management agreement. Please refer to the “Management Fee” section below.

Forstrong is the manager, portfolio manager and trustee of the Fund, and Forstrong is deemed to be a related party.

Independent Review Committee

The manager has appointed an Independent Review Committee (“IRC”) as required by National Instrument 81-107 – *Independent Review Committee for Investment Funds* (“NI 81-107”). The manager is required to comply with the policies and procedures presented to the IRC with respect to various potential conflicts of interest and to provide periodic reports to the IRC in accordance with NI 81-107.

Fees paid to the IRC are considered to be payments made to a related party of the Fund. IRC members receive fees and reimbursement of expenses for services provided to the Fund managed by Forstrong and such costs are allocated among all the Funds on a fair and reasonable basis.

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 period ended June 30, 2024.

Class C - The Fund's Net Assets per Unit				
	June 30, 2024		December 31, 2023	
Net Assets, beginning of period¹	\$	20.28	\$	–
Increase (decrease) from operations:				
Total revenue	\$	0.34	\$	0.37
Total expenses (excluding distributions)		(0.20)		(0.16)
Realized gains (losses) for the period		0.13		(0.01)
Unrealized gains (losses) for the period		0.01		0.32
Total increase (decrease) from operations²	\$	0.28	\$	0.52
Distributions:				
From income (excluding dividends)	\$	–	\$	(0.22)
From dividends		–		–
From capital gains		–		–
Return of capital		–		(0.02)
Total Distributions³	\$	–	\$	(0.24)
Net Assets, end of period¹	\$	20.66	\$	20.28

Class O - The Fund's Net Assets per Unit				
	June 30, 2024		December 31, 2023	
Net Assets, beginning of period¹	\$	21.00	\$	–
Increase (decrease) from operations:				
Total revenue	\$	0.34	\$	0.28
Total expenses (excluding distributions)		(0.21)		(0.10)
Realized gains (losses) for the period		0.1		–
Unrealized gains (losses) for the period		0.16		0.96
Total increase (decrease) from operations²	\$	0.39	\$	1.14
Distributions:				
From income (excluding dividends)	\$	–	\$	(0.14)
From dividends		–		–
From capital gains		–		–
Return of capital		–		–
Total Distributions³	\$	–	\$	(0.14)
Net Assets, end of period¹	\$	21.39	\$	21.00

1. This information is derived from the Fund's audited annual financial statements. Period ended June 30, 2024.
2. Net assets 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.
3. Distributions were paid in cash or reinvested in additional shares of the Fund.

Class C - Ratios and Supplemental Data

	June 30, 2024		December 31, 2023	
Total Net Asset Value ⁴	\$	1,549,529	\$	1,014,098
Number of Units Outstanding ⁴		75,000		50,000
Management Expense Ratio ⁵		0.20%		1.97%
Management Expense Ratio before waivers or absorptions		11.03%		18.56%
Trading Expense Ratio ⁶		0.01%		0.02%
Portfolio Turnover Rate ⁷		8.97%		6.74%
Net Asset Value per Unit	\$	20.66	\$	20.28
Closing Market Price	\$	20.67	\$	20.42

Class O - Ratios and Supplemental Data

	June 30, 2024		December 31, 2023	
Total Net Asset Value ⁴	\$	5,384	\$	5,285
Number of Units Outstanding ⁴		252		252
Management Expense Ratio ⁵		1.99%		1.97%
Management Expense Ratio before waivers or absorptions		9.87%		17.74%
Trading Expense Ratio ⁶		0.01%		0.02%
Portfolio Turnover Rate ⁷		8.97%		6.74%
Net Asset Value per Unit	\$	21.39	\$	21.00

4. This information is provided as at June 30, 2024.
5. Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset values during the period.
6. The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset values during the period.
7. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. 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 a 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 a high turnover rate and the performance of a fund.

Management Fees

The management fees are calculated based on 0.55% per annum of the average daily net asset value of the Class C Units, and maximum 0.55% of the Class O Units (negotiated and paid directly by the unitholder). The fees are accrued daily and are generally paid monthly.

For the period ended June 30, 2024, the Fund accrued, directly and indirectly, \$2,984 (excluding GST and HST in the amount of \$388) in total annual fees. The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions	Sales Commissions
Class C Units	\$ 2,984	nil	nil
Class O Units	nil	nil	nil

Past Performance

In accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*, “PAST PERFORMANCE” disclosure consisting of “Year-by-Year Returns” and “Annual Compound Returns” is not required if a Fund has been a reporting issuer for less than a year.

The Fund has been in existence for less than a year thus the “PAST PERFORMANCE” disclosure is not presented.

Summary of Investment Portfolio

As at June 30, 2024

PORTFOLIO ALLOCATIONS

Asset Class/Investment Type	% of Net Asset Value
Emerging Markets Fixed Income	23.58
United States Fixed Income	21.85
Other Developed Fixed Income	15.89
United States Equity	14.65
EAFE Equity	11.28
Emerging Markets Equity	4.58
Canadian Fixed Income	1.60
Canadian Equity	0.54
Cash and Cash Equivalents	4.30
Other Assets, Less Liabilities	1.73
Total	100.00

TOP HOLDINGS

Position	% of Net Asset Value
SPDR Bloomberg Emerging Markets Local Bond ETF	15.79
Vanguard U.S. Aggregate Bond Index ETF (CAD-hedged)	14.12
iShares 1-5 Year Investment Grade Corporate Bond ETF	11.93
Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)	8.00
SPDR Bloomberg Short Term International Treasury Bond ETF	7.94
Vanguard High Dividend Yield ETF	6.98
VanEck Emerging Markets High Yield Bond ETF	5.14
Vanguard FTSE Developed Markets ETF	4.27
iShares Mortgage Real Estate ETF	4.22
WisdomTree Emerging Markets High Dividend Fund	3.59
BMO Equal Weight US Banks Index ETF	3.19
CI First Asset High Interest Savings ETF	2.93
iShares MSCI Europe Financials ETF	2.47
iShares MSCI Global Metals & Mining Producers ETF	2.32
iShares MSCI Singapore ETF	2.09
iShares MSCI Italy ETF	1.94
Cash and Other Assets	1.35
Other Assets, Less Liabilities (Net)	1.37
Total	100.00
Total Net Asset Value	\$ 1,554,913

The Fund held no direct short positions at the end of the period.

For investments in other investment funds, their prospectus and other information is available on the investment fund's designated website and at www.sedarplus.ca.

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available.

Fund Information

Manager and Trustee

Forstrong Global Asset Management Inc.

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Auditor

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Custodian

CIBC Mellon Trust Company

1 York Street, Suite 700

Toronto, ON M5J 0B6

Registrar and Transfer Agent

TSX Trust Company

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Toronto, ON M5H 4H1

Unitholder and Recordkeeping

CIBC Mellon Global Securities Company

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Toronto, ON M5J 0B6

Toronto Stock Exchange Listing

Ticker Symbol: FINC

Independent Review Committee

Paul Manias

Chair of the Independent Review Committee

Melanie A. Ward

Member of the Independent Review Committee

Sky Schapiro

Member of the Independent Review Committee

Officers and Directors

Philip Armstrong

Chairman

Tyler Mordy

Chief Executive Officer & Chief Investment
Officer

James Garcelon

President & Chief Compliance Officer