



INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX MONTHS ENDED JUNE 30, 2021

GOODWOOD CAPITAL FUND
(the "Fund")

This interim management report of fund performance contains financial highlights but does not contain either the complete interim financial report or annual financial statements of the Fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 416-203-2022, by writing to us at Goodwood Inc., 75 Navy Street, Suite 403, Oakville, Ontario, L6J 2Z1 or by visiting our website at www.goodwoodfunds.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

This report may contain forward looking statements about the Fund, including its strategy and expected performance. Forward looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and assumptions about the Fund and certain economic factors. Forward looking statements are not guarantees of future performance and actual performance could differ materially. Any number of factors could contribute to such differences including general economic, political and market factors as well as catastrophic world events. This list of factors is not exhaustive and the forward looking statements made herein will not be updated prior to the release of the next management report of fund performance.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

The Fund's net assets increased by 7.0% for the six month period ended June 30, 2021, from \$7.794 million to \$7.283 million at December 31, 2020. The increase in net assets over the period is attributable mainly to positive portfolio performance and net subscriptions into the Fund during the first half of 2021.

Investment Performance Results

For the six month period ended June 30, 2021, Class A units of the Fund returned +4.27% and Class F units returned +4.86%. The Fund's performance is net of all fees and expenses. Please also refer to *Past Performance section*.

As at June 30, 2021, the Fund was 94.7% invested, with the Fund holding 30 investments across 8 industry sectors. The Fund had 93.1% of the portfolio invested in publicly listed North American equity securities, 1.6% in private securities (i.e., companies that do not have quoted prices in active markets) and 5.3% in net cash. During the period, the Fund's month-end net cash levels fluctuated between 2.8% and 13.8%.

The Fund had positive performance for the six-months ending June 30, 2021 but underperformed relative to the Canadian broad market. The primary reasons for this short-term underperformance of the Fund is attributable to sector weakness in certain small-mid cap securities and the Fund's zero exposure to commodity-based businesses (discussed more in detail below). While Goodwood Inc. (hereinafter referred to as "Goodwood", or "the Manager" or "we") are not satisfied with the short-term relative underperformance of the Fund, we are also not concerned as our investment thesis, which is based on a 2-3 year outlook, remains firmly intact. We should also reiterate that the Fund does not look at the broad market indices (i.e. S&P/TSX Composite & S&P/TSX SmallCap Index) as benchmarks, the composition of the Fund's portfolio differs from the indices and therefore, there is no reason for investors to expect that the Fund's performance will mirror the results of the indices. The Fund's objectives are two-fold: i) to generate superior returns over the long-term; and; ii) to provide investors with exposure to a portfolio of businesses that they otherwise would not be exposed to via the indices.

During the second quarter of 2021, we witnessed several of the Fund's holdings come under pressure despite the continued strength in the underlying fundamentals of the businesses. When the share price of a business we own in the Fund comes under pressure, we ask ourselves one simple question; has something occurred that makes our original underwritten investment thesis no longer valid? If the answer is a clear no, then in our opinion, this short-term weakness is not company-specific and could be due to any number of reasons outside of the company's control. As an investor, we cannot control short-term performance of our investments. The only thing we can control is the portfolio construction process and due diligence we perform when investing in a business we believe can compound intrinsic value at an exceptional rate. If our assessment of our investments, their managers, their opportunities, and risks are correct, then we believe the Fund can outperform the broad market indices over time.

As for not owning commodity-based businesses in the Fund, our reasons are as follows: i) for the most part, we believe commodity businesses are really a macro play. The micro is irrelevant if you get the macro call wrong; ii) we want to own a business that can control their own destiny; commodity businesses are not such businesses. They tend to be at the mercy of their respective commodity cycles; iii) given the deep cyclicality of commodity businesses, they are often best traded not owned; iv) given the significant inherent risk in commodity businesses, we believe an investor's more suitable option for exposure to these businesses is via a well-diversified index vs. concentrated holdings; and, iv) most importantly, we just do not believe we gain any competitive advantage in investing commodity businesses.

Results of Operations Continued...

The Fund continues to invest primarily in equity securities of North American companies over a broad range of industry sectors. As of June 30, 2021, the Fund was invested in a mix of both large capitalization and small capitalization companies with a higher weight towards Canadian small capitalization companies (market capitalization under \$1 billion). The average market capitalization of the top 5 positions in the Fund as at June 30, 2020 was \$244.2 million. In keeping with the investment objective of the Fund, we continue to believe there have been value opportunities in this space and that these investments may offer superior potential.

Recent Developments*

The Fund continue to hold a position in Convertible Notes and Warrants of Virginia Black LLC, a US private company. As at June 30, 2021 the position was carried at a fair value of \$Nil. To date, the Company has failed to re-pay any of the Note including accrued and unpaid interest. Goodwood has issued notice of default to the Company and continues to work to negotiate an extension agreement with the Company. If an extension agreement is signed, Goodwood will review the carrying value of the position in the Fund.

As we look forward 2-3 years, we are very confident in the businesses we currently own in the Fund and optimistic about the long-term return potential of the Fund's current portfolio. While it is impossible to forecast short-term stock price movement, we believe the Fund's investments are well equipped to substantially improve their earnings power over the next few years regardless of any interim ups and downs. If this is the case, we believe the Fund will be well-rewarded in due time. Finally, we do not invest to actively manage short-term volatility; we invest to generate the highest level of returns for an acceptable level of risk.

There were no material changes to the strategic position of the Fund. As we look out into the second half of the year and beyond, we believe the macro set up is quite complex. On the one hand, you continue to have very accommodative central banks who have remained steadfast in their goals to support global economies. However, the consequences of years of easy monetary policy are becoming increasingly irrefutable (i.e. diminishing returns from monetary policies, goods & services inflation, labour shortages, asset price inflation and volatility, etc.). In addition, we are now seeing fiscal policies being implemented which raises the question of how much should monetary policies be curtailed to offset the fiscal support. At some point, Central Bankers are going to have to make a very tough decision. Then there is COVID-19, and its variants. We continue to believe COVID is something the world will have to deal with for the foreseeable future, given its high transmission rate, rapid mutations, and significant part of the global population that are still unvaccinated. A global shutdown like what we experienced in 2020 is highly unlikely, but the world will likely not return to "normal" anytime soon. Meaning COVID will still have long lasting implications on the global economies. To deal with all these unknowns, we continue to look for businesses we believe can grow its intrinsic value in any macro environment. Where the company has a strong ability to control its own destiny, irrespective of what happens at the macro level. However, this does not mean the path of share price appreciation will be smooth and "to the top right". We acknowledge and fully accept that one of the negative attributes in investing in small cap listed securities is the heightened level of volatility. But if you select the right investments, over time, you should be more than compensated for the higher level of volatility you're being exposed to.

Other

The Fund did not undergo any material changes during the reporting period, including, but not limited to, its strategic positioning, Manager or portfolio adviser, accounting policies or composition of its Independent Review Committee ("IRC").

*Information the recent development section may contain forward-looking statements which reflect the Manager's expectation regarding the Fund's future performance and opportunities. Forward-looking information requires the Manager to make assumptions and is subject to inherent risks and uncertainties. No assurances can be made that such matters will prove to be correct. Actual results may vary materially.

Related Party Transactions

Management Fees

Goodwood is responsible for the day-to-day business operations and affairs of the Fund and on this basis, is entitled to fees as described under “Management Fees” on page 6.

Brokerage Commissions

Total brokerage commissions paid by the Fund during the period ended June 30, 2021 were \$18,403. Out of this amount, gross commissions paid to the Manager and NBIN Inc. for acting as broker in respect of portfolio transactions for the Fund during the year were approximately \$9,722. In addition, commissions and fees on corporate finance transactions amounted to \$29,850, out of this amount Finder Fees paid to the Manager during the period were \$14,100, a portion of which was rebated to the Fund per policy. See ‘Other’ section below.

Other

Principals of Goodwood Inc. may, from time to time, accept officer positions and/or directorships and/or provide services to or have other relationships with companies unrelated to Goodwood Inc., including issuers in which clients are invested. In this circumstance, that company would be considered under relevant securities law to be a “connected issuer” to Goodwood Inc. We maintain a list of these companies on our website at www.goodwoodfunds.com and have adopted policies and procedures to address conflicts of interest with respect to these relationships. This list may change from time to time, therefore the Manager recommends that investors refer to the website frequently and before making additional purchases of units of the Fund. Currently, MV Realty Holdings, LLC (“MVR”) and Goodwood MVR Investors Inc. are considered connected issuers to the Manager. Furthermore, Goodwood Inc., or an affiliate of Goodwood Inc., may provide services to and receive compensation from issuers in which the Funds are invested. Goodwood Inc. entered into a 4 year Consulting Agreement with Medexus Pharmaceuticals Inc. dated October 16, 2018 and 3 year Consulting Agreement with MVR dated August 1, 2020. Goodwood may also provide services to other issuers in which clients are not invested.

From time to time the Manager, certain officers, directors and key personnel of the Manager, or an affiliate of the Manager, may in the future provide services to and receive compensation from other issuers in which the Fund is invested. It is the policy of Goodwood to make appropriate adjustments to the fees charged by it to the Fund where the fees or other compensation is received directly from issuers in which the Fund is invested. Total fee rebate paid to the Fund during the year ended June 30, 2021 was approximately \$992.

Financial Highlights, Ratios and Supplemental Data

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 six-month period ending June 30, 2021 and the past five years ending December 31.

The Fund's Net Assets Per Unit (\$) ¹

	2021		2020		2019		2018		2017		2016	
	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F ⁴
Net Assets, beginning of period	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31	\$18.12	\$11.75	\$17.35	\$11.13	\$15.40	\$10.00
Increase (decrease) from operations:												
Total revenue	0.18	0.12	0.12	0.04	0.29	0.19	0.33	0.22	0.26	0.18	0.27	0.08
Total expenses	(0.59)	(0.29)	(0.86)	(0.47)	(0.74)	(0.37)	(0.82)	(0.41)	(0.80)	(0.41)	(0.75)	(0.18)
Realized gain (loss) on investments	2.05	1.39	10.21	10.94	1.46	0.78	0.21	0.16	0.76	0.46	(0.83)	(0.99)
Unrealized gain (loss) on investments	(0.53)	(0.43)	0.29	0.18	(0.39)	(0.00)	(2.08)	(1.40)	0.32	0.75	3.25	1.89
Total increase (decrease) from operations ²	1.11	0.79	9.75	10.69	0.61	0.60	(2.35)	(1.43)	0.55	0.98	1.94	0.81
Distributions:												
From income (excluding dividends)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
From dividends	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
From capital gains	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Annual Distributions ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Assets, end of period	\$27.73	\$18.70	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31	\$18.12	\$11.75	\$17.35	\$11.13

¹ For the period ended June 30, 2021 and years ended December 31. The information for each December 2020, 2019, 2018, 2017 and 2016 is derived from the Fund's audited annual financial statements prepared in accordance with IFRS. The net assets per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. The information for June 2021 is derived from the Fund's unaudited statements prepared in accordance with IFRS.

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. The table is not intended to be a reconciliation of beginning to ending net asset value per unit.

³ Distributions were reinvested in additional units of the Fund.

⁴ For the period beginning July 8, 2016 (the date on which units of the class were first sold) to December 31, 2016.

Ratios and Supplemental Data ¹

	2021		2020		2019		2018		2017		2016	
	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F ⁵
Total net asset value (000s) ¹	\$ 4,323	\$ 3,471	\$ 4,165	\$ 3,118	\$ 3,374	\$ 1,216	\$ 4,426	\$ 1,718	\$ 6,529	\$ 2,160	\$ 9,868	\$ 452
Number of units outstanding ¹	155,904	185,584	156,630	174,803	208,619	113,361	281,634	166,709	360,285	183,775	568,839	40,627
Management expense ratio ²	3.68%	2.56%	4.85%	3.62%	3.94%	2.81%	3.65%	2.51%	3.96%	2.98%	3.78%	1.12%
Management expense ratio before waivers or absorptions	3.68%	2.56%	4.85%	3.62%	3.94%	2.81%	3.65%	2.51%	3.96%	2.98%	3.78%	1.12%
Trading expense ratio ³	0.47%	0.45%	0.40%	0.44%	0.52%	0.55%	0.74%	0.75%	0.67%	0.68%	0.85%	0.48%
Portfolio turnover rate ⁴	34.66%	34.66%	95.97%	95.97%	117.32%	117.32%	124.35%	124.35%	157.86%	157.86%	184.07%	184.07%
Net assets value per unit	\$ 27.73	\$ 18.70	\$ 26.59	\$ 17.84	\$ 16.17	\$ 10.73	\$ 15.72	\$ 10.31	\$ 18.12	\$ 11.75	\$ 17.35	\$ 11.13

¹ This information is provided for the six month period ending June 30, 2021 and the past five years ending December 31.

² Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

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.

⁴ 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁵ For the period beginning July 8, 2016 (the date on which units of the class were first sold) to December 31, 2016.

MANAGEMENT FEES

The Manager is entitled to receive a management fee based on the net asset value of each class of the Fund. The management fee for Class A units of the Fund is 1.90% per annum and for Class F units of the Fund is 0.90% per annum. The fee is calculated and accrued on each valuation date of the Fund, in consideration for managing the day-to-day business of the Fund. This includes managing the investment portfolio, providing investment analysis and making decisions relating to the investment assets in the Fund.

The management fees for the six month period ended June 30, 2021 were \$63,665. Please refer to *Related Party Transactions - Other* on page 3.

For the six month period ended June 30, 2021, approximately 72% of the total management fee revenue received from the Fund was attributable to management and investment management services. The balance of these fees was used to pay dealer compensation costs on Class A units.

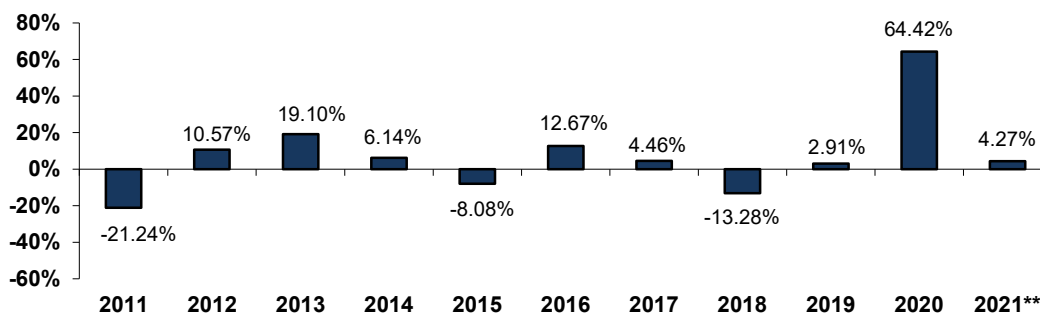
PAST PERFORMANCE

The Fund's performance information 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 include deduction of sales, transfer, redemption, other charges (which distributors may charge) or income taxes payable. These additional charges and taxes would reduce such returns. The Fund's past performance is no guarantee of how it will perform in the future.

Year-by-Year Returns

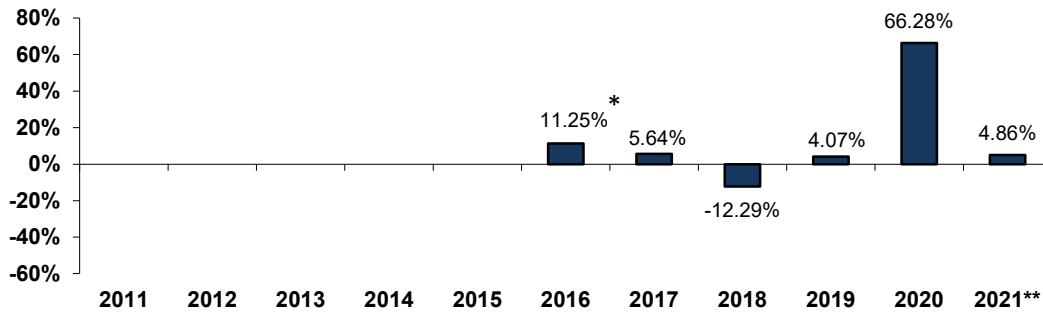
The bar chart shows how the Fund's performance has varied from year to year for each of the periods shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 of that year.

Class A



**For the period ending June 30, 2021

Class F



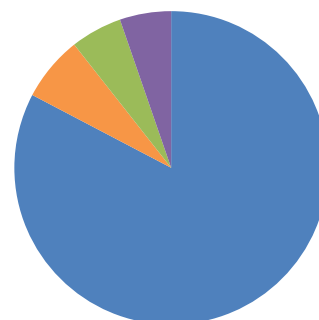
* For the period beginning July 8, 2016 (the date on which units of class F were first sold) to December 31, 2016.

**For the period ending June 30, 2021

SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2021

Asset Mix (as a % of NAV)

Canadian Equity	82.6%
US Equity	6.7%
Net Cash	5.3%
Other	5.3%
	100.0%



Total Net Assets: \$ 7,793,750

■ Canadian Equity ■ US Equity ■ Net Cash ■ Other

Goodwood Capital Fund Holdings (Top 25 as a % of Total Net Assets)

1	Voxtur Analytics Corporation	6.4%
2	Medexus Pharmaceuticals, Inc.	6.3%
3	Polaris Infrastructure Inc	5.8%
4	Net Cash	5.3%
5	Skylight Health Group Inc	4.7%
6	Good Natured Products Inc	4.4%
7	Brookfield Business Partners LP	4.2%
8	Qusitive Technology Solutions Inc	3.9%
9	Cargojet Inc	3.8%
10	Newtopia Inc	3.8%
11	NowVertical Group Inc.	3.7%
12	Argan Inc	3.6%
13	NanoXplore Inc	3.6%
14	Green Impact Partners Inc	3.5%
15	PopReach Corp	3.5%
16	Quipt Home Medical Corp.	3.5%
17	Waterloo Brewing Ltd	3.3%
18	Sangoma Technologies Corp	3.2%
19	Enghouse Systems Ltd	3.1%
20	Boyd Group Services Inc	2.7%
21	Air Canada	2.6%
22	HEICO Corp Class A	2.6%
23	Gibson Energy Inc	2.5%
24	CCL Industries Inc	2.1%
25	TFI International Inc	1.7%

The investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available within 60 days of each quarter end by visiting www.goodwoodfunds.com.

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