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**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE  
FOR THE SIX MONTHS ENDED JUNE 30, 2023**

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**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](http://www.goodwoodfunds.com) or SEDAR at [www.sedar.com](http://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 decreased by approximately 5.4% for the six-month period ended June 30, 2023 to \$5.007 million from \$5.292 million as at December 31, 2022. The decrease in net assets over the period is mostly attributable to 2023 Fund investment performance during the year-to-date period.

### **Investment Performance Results**

For the six-month period ended June 30, 2023, Class A units of the Fund returned -5.37% and Class F units returned -4.83%. The Fund's performance is net of all fees and expenses. Please also refer to *Past Performance section*.

As at June 30, 2023, the Fund was 75.5% invested, with the Fund holding 38 investments across 9 industry sectors. The Fund had 67.4% of the portfolio invested in publicly listed North American equity securities, 8.1% in private securities (i.e., companies that do not have quoted prices in active markets) and 24.5% in net cash. During the period, the Fund's month-end net cash levels fluctuated between 22.1% and 25.0%.

Coming into 2023, the Fund had a fairly defensive position with higher cash balances than normal as we anticipated 2023 to be challenging year both economically and to risk assets due to rapidly rising interest rates and the resulting impact on the economy and asset prices. Furthermore, given the smaller market capitalization of the Fund's portfolio holdings and lower liquidity, we were concerned about what forced liquidation in the sector could do to security prices and wanted to keep dry powder (i.e. a portion of the portfolio in liquid funds available for use) in order to take advantage of severe price dislocations as they arise. The Fund continues to be significantly underweight the material and energy sectors vis-à-vis the general Canadian broad market indices as we believe these businesses are generally too cyclical and investors have multiple other options to get exposure to these sectors, outside the Fund. The Fund's primary objective is to invest in underfollowed, uncovered, growth businesses that we believe have the potential to deliver outsized returns over the long term. While this strategy has historically delivered strong returns, the past 18 months have certainly been a challenging period for the Fund as growth businesses rationalize their cost structures and growth targets to optimize profitability and the ability to self-fund operations. This transition period has been very challenging for several of the Fund's holdings. However, post this transition process, we believe the Fund's holdings are now able to better manage their capital needs, operate at profitable or break-even levels, have significant upside operating leverage to recovering businesses fundamentals and are currently trading at significantly low valuations. As result, we continue to hold onto our portfolio holdings and anticipate stronger share price performance going forward as investors begin to realize the significant value in the Fund's holdings.

The Fund continues to invest primarily in equity securities of North American companies over a broad range of industry sectors. As of June 30, 2023, 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, 2023 was \$409.2 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\****

If 18 months ago we were told that risk free rates would climb circa 5% over that period and Central Banks would embark on a form quantitative tightening, we think the unanimous outlook would have been a severe shock to the economy and markets. Yet here we are, and the economy and the markets have proven to be extremely resilient, at least at the headline levels. While investors now seem reasonably confident of a soft landing or no recession at all, we continue to be cautious on the economic outlook. Despite what market pundits say, it is hard for us to believe that you can have such a radical regime shift in monetary policy into a significantly over levered economy and there be no real consequences. The one thing we learned from the Silicon Valley Bank crisis was that tail risks are out there, they will materialize quickly and swiftly, and policy makers will react with equal force to prevent catastrophic outcomes. We suppose this further creates moral hazards and lulls investors into a sense of comfort that, while we may still have shocks to the system, they will be shallow and short lived. It's hard to argue against this positioning as it has repeatedly worked in the past. While we can't predict what the future will hold, we are reasonably comfortable with our view that the probability of outcomes is skewed more to the downside than the upside from here.

One of the key strategies of the Fund is the opportunistic allocation the Fund can make to private investments. We note however there are regulatory restrictions on the amount of illiquid securities the Fund may hold. At Goodwood, we have the unique ability to source and invest in private investments and have a long and successful track record of doing so. We intend to continue to prudently allocate capital to private investments within the Fund's investment parameters when we identify investment opportunities with exceptional return potential that more than compensates us for the additional risk and lack of liquidity inherent in private investments. The Fund currently has approximately 8.3% of its net asset value invested in private or restricted securities.

## ***Other***

The Fund did not undergo any other material changes during the reporting period, including, but not limited to, its strategic positioning, Manager or portfolio adviser, or accounting policies. With regard to the composition of its Independent Review Committee ("IRC"), one IRC member, Edna Chu resigned as a member of the Goodwood IRC effective December 31, 2022. As a consequence of the vacancy, Neil Gross was appointed to the IRC as her replacement on January 16, 2023 for a period of three years with effect from January 1, 2023.

\*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 5. Goodwood has appointed Waypoint Investment Partners Inc. (“Waypoint”) as sub-advisor for the Fund. As compensation for its services as sub-advisor Goodwood may pay Waypoint a portion of the management fees paid by the Fund to Goodwood.

### Brokerage Commissions

During the period ended June 30, 2023, total brokerage commissions paid by the Fund were \$366 and commissions and fees on corporate finance transactions amounted to \$Nil. Therefore, during the period total commission directed by the Fund were \$366. Out of this amount gross fees and commissions paid to the Manager for acting as broker in respect of portfolio transactions for the Fund during the period were \$366.

### 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](http://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 5 year Consulting Agreement with Medexus Pharmaceuticals Inc. first 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 period ended June 30, 2023 was approximately \$125.

## 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, 2023 and the past five years ending December 31.

### The Fund's Net Assets Per Unit (\$) <sup>1</sup>

	2023		2022		2021		2020		2019		2018	
	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F
Net Assets, beginning of period	\$15.65	\$10.74	\$25.04	\$16.99	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31	\$18.12	\$11.75
Increase (decrease) from operations:												
Total revenue	0.17	0.12	0.28	0.20	0.31	0.21	0.12	0.04	0.29	0.19	0.33	0.22
Total expenses	(0.41)	(0.23)	(0.95)	(0.48)	(1.17)	(0.58)	(0.86)	(0.47)	(0.74)	(0.37)	(0.82)	(0.41)
Realized gain (loss) on investments	0.03	0.02	1.90	1.11	2.99	2.06	10.21	10.94	1.46	0.78	0.21	0.16
Unrealized gain (loss) on investments	(0.56)	(0.44)	(11.22)	(6.44)	(3.70)	(2.55)	0.29	0.18	(0.39)	(0.00)	(2.08)	(1.40)
Total increase (decrease) from operations <sup>2</sup>	(0.78)	(0.53)	(9.99)	(5.62)	(1.58)	(0.87)	9.75	10.69	0.61	0.60	(2.35)	(1.43)
Distributions:												
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 <sup>3</sup>	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	\$14.81	\$10.22	\$15.65	\$10.74	\$25.04	\$16.99	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31

<sup>1</sup> For the period ended June 30, 2023 and years ended December 31. The information for each December 2022, 2021, 2020, 2019, and 2018 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 2023 is derived from the Fund's unaudited statements prepared in accordance with IFRS.

<sup>2</sup> 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.

<sup>3</sup> Distributions were reinvested in additional units of the Fund.

### Ratios and Supplemental Data <sup>1</sup>

	2023		2022		2021		2020		2019		2018	
	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F
Total net asset value (000s) <sup>1</sup>	\$ 1,404	\$ 3,603	\$ 1,615	\$ 3,676	\$ 3,773	\$ 2,623	\$ 4,165	\$ 3,118	\$ 3,374	\$ 1,216	\$ 4,426	\$ 1,718
Number of units outstanding <sup>1</sup>	94,794	352,653	103,229	342,421	150,687	154,433	156,630	174,803	208,619	113,361	281,634	166,709
Management expense ratio <sup>2</sup>	5.24%	4.15%	4.78%	3.68%	4.02%	2.87%	4.85%	3.62%	3.94%	2.81%	3.65%	2.51%
Management expense ratio before waivers or absorptions	5.24%	4.15%	4.78%	3.68%	4.02%	2.87%	4.85%	3.62%	3.94%	2.81%	3.65%	2.51%
Trading expense ratio <sup>3</sup>	0.01%	0.01%	0.12%	0.12%	0.29%	0.29%	0.40%	0.44%	0.52%	0.55%	0.74%	0.75%
Portfolio turnover rate <sup>4</sup>	6.56%	6.56%	43.24%	43.24%	54.47%	54.47%	95.97%	95.97%	117.32%	117.32%	124.35%	124.35%
Net assets value per unit	\$ 14.81	\$ 10.22	\$ 15.65	\$ 10.74	\$ 25.04	\$ 16.99	\$ 26.59	\$ 17.84	\$ 16.17	\$ 10.73	\$ 15.72	\$ 10.31

<sup>1</sup> This information is provided for the six month period ending June 30, 2023 and the past five years ending December 31.

<sup>2</sup> 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.

<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.

<sup>4</sup> 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.

## 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, 2023 were \$35,428. Please refer to *Related Party Transactions - Other* on page 3.

For the six month period ended June 30, 2023, approximately 84% 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.

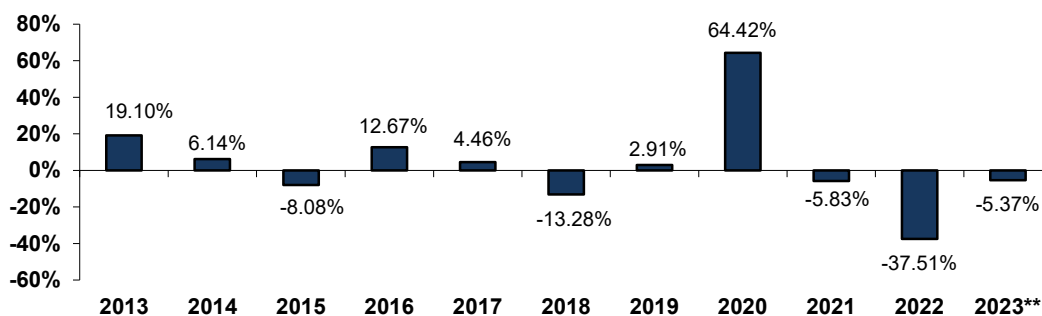
## PAST PERFORMANCE

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

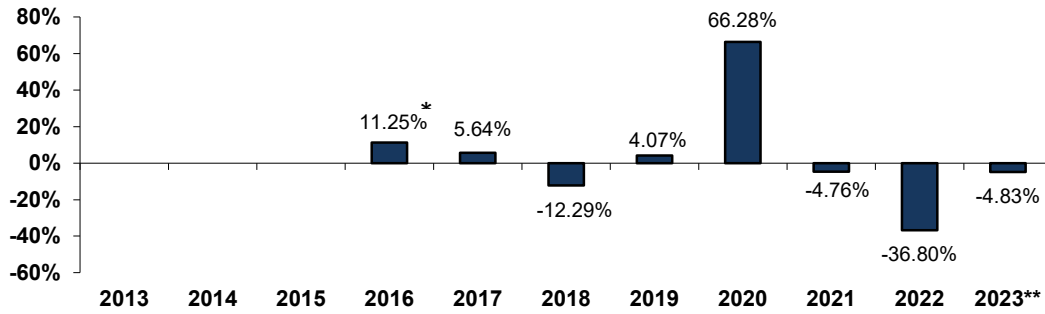
The bar chart shows how the Fund's performance has varied from year to year for each of the periods shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 of that year.

#### Class A



\*\*For the period ending June 30, 2023

## Class F



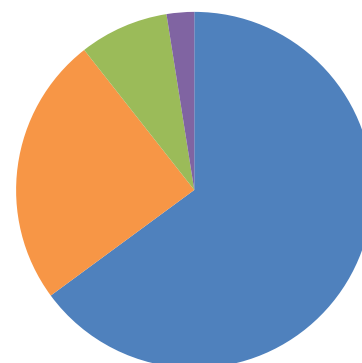
\* For the period beginning July 8, 2016 (the date on which units of class F were first sold) to December 31, 2016.

\*\*For the period ending June 30, 2023

## SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2023

### Asset Mix (as a % of NAV)

Canadian Equity	64.9%
Net Cash	24.5%
Other	8.1%
US Equity	2.5%
	100.0%



■ Canadian Equity ■ Net Cash ■ Other ■ US Equity

**Total Net Assets: \$ 5,006,938**

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

1	Net Cash	24.5%
2	Quipt Home Medical Corp	6.8%
3	Bluedot Inc PROM NT CV U\$ 8% 05/14/2024	5.3%
4	Green Impact Partners Inc	4.6%
5	Polaris Renewable Energy Inc	4.2%
6	Enghouse Systems Ltd	3.2%
7	Tidewater Midstream and Infrastructure Ltd	3.1%
8	CCL Industries Inc	3.1%
9	Cargojet Inc	3.0%
10	Sangoma Technologies Corporation	2.8%
11	Opera Event Inc CV 12.5% 07/26/2023	2.6%
12	Dream Industrial Real Estate Investment Trust	2.5%
13	Argan Inc	2.5%
14	Medexus Pharmaceuticals, Inc.	2.5%
15	Granite Real Estate Investment Trust	2.3%
16	FirstService Corp	2.3%
17	Boyd Group Services Inc	2.1%
18	Newtopia Inc	2.1%
19	BSR Real Estate Investment Trust	2.0%
20	Gibson Energy Inc	1.9%
21	PopReach Corp	1.7%
22	NowVertical Group Inc.	1.7%
23	Exchange Income Corp	1.6%
24	Quisitive Technology Solutions Inc	1.6%
25	Newtopia Inc (Restricted 08JUL23)	1.6%
		91.7%

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](http://www.goodwoodfunds.com).



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