



**ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

**GOODWOOD CAPITAL FUND
(the "Fund")**

This annual management report of fund performance contains financial highlights but does not contain either the complete 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 or by writing to us at Goodwood Inc., 132 Trafalgar Road, Oakville, Ontario, L6J 3G5 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

Investment Objective and Strategies

The investment objective of the Fund is to achieve capital appreciation by investing primarily in equity securities of North American companies over a broad range of industry sectors.

In making investment decisions on behalf of the Fund, Goodwood Inc., the portfolio manager (hereinafter referred to as “Goodwood”, or the “Manager” or “we”) uses a bottom-up approach to investing, which involves intensive analysis of the individual company and associated industry conditions. The investment strategy is value-oriented, where focus is placed on companies that Goodwood believes possess a market price significantly below the intrinsic or true economic value of the business and/or generate strong return on invested capital with reinvestment opportunities and possess excess free cash flow allowing for internally funded growth, debt repayment, dividends and/or buybacks.

Risk

The risks associated with investing in this Fund remain as discussed in the Simplified Prospectus dated June 2, 2023 and amended October 25, 2023. The Fund continues to be suitable for those investors with a medium to high risk tolerance and who plan to invest for the long term.

The Fund's overall level of risk has not changed materially in the past year. The Fund is suitable for investors who are willing to accept the higher risks associated with investing in or having exposure to small and/or micro-cap issuers. As well, the Fund holds a concentrated portfolio of investments and may, from time to time, hold a large portion of its investments in a single issuer or a relatively small number of securities, which make the Fund susceptible to higher volatility since the value of the Fund's portfolio will vary more in response to changes in the market value of these securities.

In certain instances, either through the Fund's ownership of an issuer's securities, having a principal of the Manager appointed to the board of directors or through some other relationship between the Manager and an issuer held by the Fund, the Manager may come into possession of material non-public information that restricts the Manager's ability to trade in securities of that issuer. This may impact the value of the Fund as the increased liquidity risk could impact the Fund's ability to buy or sell the securities of the issuer until the information becomes public knowledge.

Results of Operations

The Fund's net assets decreased by 10.2% for the 12-month period ended December 31, 2023 from \$5.292 million at January 1, 2023 to \$4.754 million at December 31, 2023. The decrease in net assets over the period is attributable Fund investment performance for the year and portfolio redemptions.

For the year ended December 31, 2023, Class A units of the Fund returned -7.35% and Class F units returned -6.30%. The Fund's performance is net of all fees and expenses. Please also refer to *Past Performance section*.

As at December 31, 2023, the Fund was 78.1% invested, with the Fund holding 37 investments across 10 industry sectors. The Fund had 69.6% of the portfolio invested in publicly listed North American equity securities, 8.5% in private securities (i.e., companies that do not have quoted prices in active markets) and 21.9% in net cash/cash equivalents. During the period, the Fund's month-end net cash/cash equivalent levels averaged 23.4%. The allocation to cash through the year was a result of the Manger's decision to maintain a higher than normal cash balance to capitalize on market volatility and manage the volatility in the Fund given the high exposure to smaller market capitalization names.

Results of Operations Continued...

Broadly speaking the Fund's 2023 performance was primarily impacted by general market trends which saw investors high grade their portfolios by shifting allocation to larger cap names with strong balance sheets and more predictable cash flow streams. This trend adversely impacted several of the Fund's holding which were small cap in nature and still in a growth phase acquiring capital to fund the growth.

Recent Developments*

Investment Portfolio

One of the key strategies of the Goodwood Capital 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 8.5% of its net asset value invested in private or restricted securities.

Outlook

The market continues to be driven by macro factors and investors seem less focused on company specific fundamentals. Artificial intelligence, interest rates, inflation, and economic conditions seem to be the primary factors investors are focused on and this has led to a highly concentrated, momentum driven market. While we can understand and appreciate the need to focus on these factors, we also believe it is a mistake to ignore company specific fundamentals. For 2024, we believe the Fund's performance will likely be impacted by a combination of market participants reallocating capital to growth oriented small-mid cap names, loosening of financial conditions (i.e. trading liquidity and funding availability) and company specific catalysts. In our view, 2023 was a year of cost efficiency and rebalancing the company's growth with profitability levels that will reduce the need for external capital. We believe 2024 will be an extension of that as the Fund's companies continue to focus on organic growth, extracting operating leverage and exhibiting self-funding growth. While the valuation gap between small-mid cap and large cap companies continues to be at record levels, this gap is unlikely to close without clear catalysts at both the macro and micro levels. The Fund continues to hold above average cash levels and will look to opportunistically deploy the capital throughout the year.

Other

Effective October 23, 2023, Waypoint Investment Partners Inc. ceased to act as sub-adviser to the Fund and Gajan Kulasingam, CFA, CPA, CA rejoined Goodwood's investment team and has resumed his role as lead portfolio manager for the Fund. Mr. Kulasingam remains principally responsible for the day-to-day investment management of the Fund and for the investment decisions executed on behalf of the Fund. The Fund did not undergo any other material changes during the reporting period, including, but not limited to, its strategic positioning, investment objectives or accounting policies. With regard to the composition of its Independent Review Committee ("IRC"), Neil Gross was appointed to the IRC on January 16, 2023 for a period of three years with effect from January 1, 2023 and on October 12, 2023, Ken Thomson was re-appointed to the IRC with effect from January 1, 2024, for a period of three years.

*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.

Brokerage Commissions

Total brokerage commissions paid by the Fund during the year ended December 31, 2023 were \$381 and commissions on corporate finance transactions amounted to \$Nil. Total gross commissions paid to the Manager for acting as broker in respect of portfolio transactions for the Fund during the year were approximately \$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. 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 may also provide services to other issuers in which clients are not invested. 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.

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 December 31, 2023 was approximately \$460.

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 twelve-month period ending December 31, 2023 and the past five years ending December 31.

The Fund's Net Assets Per Unit (\$) ¹

	2023		2022		2021		2020		2019	
	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F	Class A	Class F
Net Assets, beginning of year	\$15.65	\$10.74	\$25.04	\$16.99	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31
Increase (decrease) from operations:										
Total revenue	0.37	0.25	0.28	0.20	0.31	0.21	0.12	0.04	0.29	0.19
Total expenses	(0.77)	(0.42)	(0.95)	(0.48)	(1.17)	(0.58)	(0.86)	(0.47)	(0.74)	(0.37)
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
Unrealized gain (loss) on investments	(0.73)	(0.56)	(11.22)	(6.44)	(3.70)	(2.55)	0.29	0.18	(0.39)	(0.00)
Total increase (decrease) from operations ²	(1.11)	(0.70)	(9.99)	(5.62)	(1.58)	(0.87)	9.75	10.69	0.61	0.60
Distributions:										
From dividends	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
Total Annual Distributions ³	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net Assets, end of year	\$14.50	\$10.06	\$15.65	\$10.74	\$25.04	\$16.99	\$26.59	\$17.84	\$16.17	\$10.73

¹ This information is provided as at December 31 of the year shown and 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.

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.

Ratios and Supplemental Data ¹

	2023		2022		2021		2020		2019	
	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) ¹	\$ 1,308	\$ 3,446	\$ 1,615	\$ 3,676	\$ 3,773	\$ 2,623	\$ 4,165	\$ 3,118	\$ 3,374	\$ 1,216
Number of units outstanding ¹	90,207	342,539	103,229	342,421	150,687	154,433	156,630	174,803	208,619	113,361
Management expense ratio ²	5.10%	3.99%	4.78%	3.68%	4.02%	2.87%	4.85%	3.62%	3.94%	2.81%
Management expense ratio before waivers or absorptions	5.10%	3.99%	4.78%	3.68%	4.02%	2.87%	4.85%	3.62%	3.94%	2.81%
Trading expense ratio ³	0.01%	0.01%	0.12%	0.12%	0.29%	0.29%	0.40%	0.44%	0.52%	0.55%
Portfolio turnover rate ⁴	8.40%	8.40%	43.24%	43.24%	54.47%	54.47%	95.97%	95.97%	117.32%	117.32%
Net assets value per unit	\$ 14.50	\$ 10.06	\$ 15.65	\$ 10.74	\$ 25.04	\$ 16.99	\$ 26.59	\$ 17.84	\$ 16.17	\$ 10.73

¹ This information is provided for 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.

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 year ended December 31, 2023 were \$66,681. Please refer to *Related Party Transactions - Other* on page 4.

For the year ended December 31, 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.

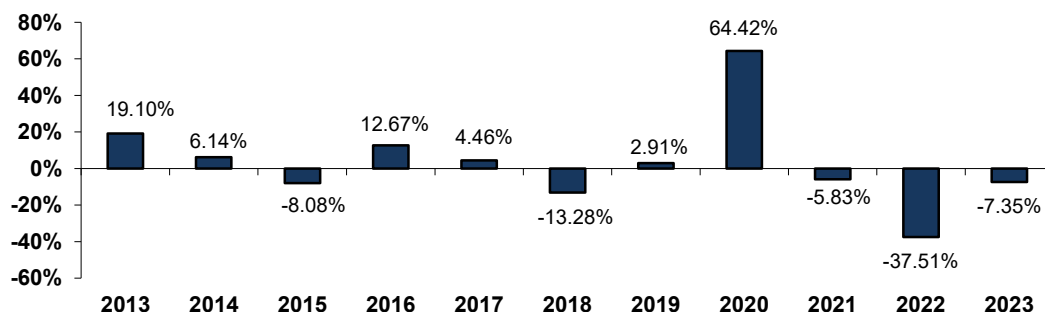
PAST PERFORMANCE

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.

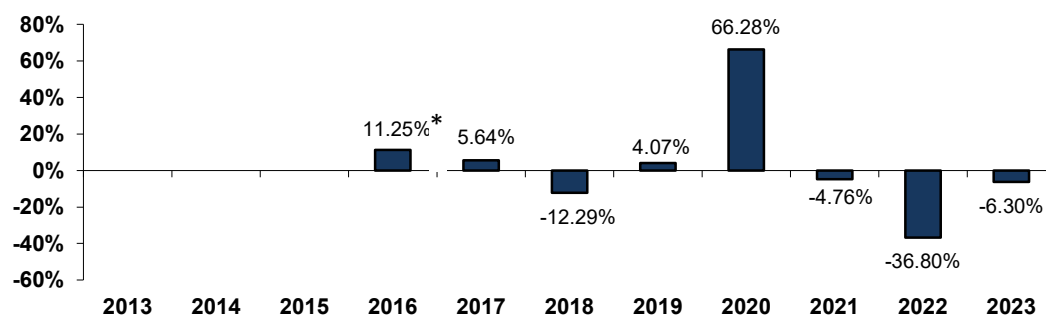
Year-by-Year Returns

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



Class F



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

Annual Compound Returns

The below table shows the historical annual compound total return of Class A and Class F units of the Fund for the indicated periods ended December 31 as compared to the broad market performance of the: (i) S&P/TSX Composite Total Return Index (ii) S&P/TSX SmallCap Total Return Index and (iii) S&P/TSX Venture Composite Index. The proportion of assets of the Fund invested in any particular market capitalization will vary and may include a large portion invested in small-cap issuers. Class F units have been distributed since July 8, 2016 and therefore, annual compound returns for that class for the 10 year period is not available. Annualized return for Class F units since inception (July 8, 2016) to December 31, 2023 is +0.08%.

Compound Return (%)	1 Year	3 Year	5 Year	10 Year	Since Inception
Goodwood Capital Fund - Class A	-7.35%	-18.30%	-1.60%	-0.84%	2.47%
Goodwood Capital Fund - Class F	-6.30%	-17.38%	-0.48%	-	0.08%
S&P/TSX SmallCap Total Return Index	4.79%	4.57%	8.37%	3.95%	-
S&P/TSX Composite Total Return Index	11.75%	9.59%	11.30%	7.62%	-
S&P/TSX Venture Composite Index	-3.05%	-14.20%	-0.15%	-5.09%	-

S&P/TSX Composite Total Return Index is a broad-based market capitalization weighted index of the largest, most widely held stocks traded on the Toronto Stock Exchange. The index includes reinvestment of dividends and capital gains.

S&P/TSX SmallCap Total Return Index provides an investable index for the Canadian small cap market and follows the same methodology as the S&P/TSX Composite Index. The index includes reinvestment of dividends and capital gains.

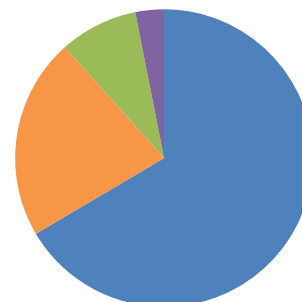
S&P/TSX Venture Composite Index is a broad market indicator of Canadian micro cap securities in Canada. The index is market capitalization weighted and includes Canadian companies that do not meet the criteria to be listed on the Toronto Stock Exchange

SUMMARY OF INVESTMENT PORTFOLIO AS AT DECEMBER 31, 2023

Asset Mix (as a % of NAV)

Canadian Equity	66.5%
Net Cash/Cash Equivalent	21.9%
Other	8.5%
US Equity	3.1%

100.0%



■ Canadian Equity ■ Net Cash/Cash Equivalent ■ Other ■ US Equity

Total Net Assets: \$ 4,754,041

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

1	Net Cash/Cash Equivalent	21.9%
2	Quipt Home Medical Corp	6.7%
3	Bluedot Inc PROM NT CV U\$ 8% 05/14/2024	5.6%
4	Polaris Renewable Energy Inc	4.2%
5	Newtopia Inc	4.1%
6	Cargojet Inc	3.9%
7	Tidewater Midstream and Infrastructure Ltd	3.7%
8	Enghouse Systems Ltd	3.6%
9	Medexus Pharmaceuticals, Inc.	3.4%
10	Argan Inc	3.1%
11	CCL Industries Inc	2.9%
12	Opera Event Inc CV 12.5% 01/26/2024	2.8%
13	Green Impact Partners Inc	2.7%
14	Dream Industrial Real Estate Investment Trust	2.6%
15	Firstservice Corp	2.6%
16	Sangoma Technologies Corporation	2.5%
17	Boyd Group Services Inc	2.5%
18	Granite Real Estate Investment Trust	2.4%
19	NowVertical Group Inc.	2.3%
20	Brookfield Business Corp	1.9%
21	Gibson Energy Inc	1.9%
22	BSR Real Estate Investment Trust	1.9%
23	Brookfield Business Partners LP	1.8%
24	Information Services Corp	1.7%
25	PopReach Corp	1.6%
		94.5%

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.