



**INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
FOR THE SIX MONTHS ENDED JUNE 30, 2022**

**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 decreased by approximately 40.5% for the six-month period ended June 30, 2022 to \$3.807 million from \$6.397 million as at December 31, 2021. The decrease in net assets over the period is attributable to 2022 Fund investment performance and net portfolio redemptions during the year-to-date period.

Investment Performance Results

For the six-month period ended June 30, 2022, Class A units of the Fund returned -30.20% and Class F units returned -29.81%. The Fund's performance is net of all fees and expenses. Please also refer to *Past Performance section*.

As at June 30, 2022, the Fund was 98.0% invested, with the Fund holding 32 investments across 8 industry sectors. The Fund had 94.4% of the portfolio invested in publicly listed North American equity securities, 3.6% in private securities (i.e., companies that do not have quoted prices in active markets) and 2.0% in net cash. During the period, the Fund's month-end net cash levels fluctuated between 0.0% (fully invested) and 3.3%.

The first half of the year was a challenging period for the Fund as it faced several macro headwinds, primarily being a rapid rise in interest rates. The unprecedented pace of rate increase and removal of liquidity had two negative impacts on the Fund – first, the rise in rates caused significant revaluation of assets and second it created a risk of flight to safety environment. The revaluation of assets is a mathematical process whereby as the risk-free rate rises, as does the discount rate applied to discount future cash flows. In the Fund's case, given the Fund has a bias towards high growth names which tend to target revenue and market share growth, at the expense of near-term profitability, it essentially owns long duration equities. And in a rising interest rate/discount rate environment, it is the long duration assets (whether equities or fixed income) that feel the brunt of the pain. This pain was primarily reflected in the Fund via significant multiple compression for some of its holdings. We also saw significant de-risking in the first half as investors anticipated a looming recession driven by global Central Bankers who are committed to fighting runaway inflation. Although Central Bankers are attempting to execute a "soft landing" whereby they compress inflation without causing a recession, we think it is unlikely they will be successful in their efforts. As result, we believe investors began to high grade their portfolios by exiting small cap names in favour of large cap names. This caused significant selling and liquidity pressure in the Canadian small cap sector as evidenced by the S&P/TSX Venture Composite Index which was down -34.28% for the first half of the year. We believe this was further exacerbated by the fact that the Canadian small cap sector does not have the strongest shareholder base that can withstand bouts of risk and volatility. While over the long term this presents an interesting arbitrage opportunity for investors, in the short term, it can cause significant amount of volatility.

Despite the Fund's negative performance in the first half of the year, we continue to believe the fundamentals of the businesses the Fund owns are robust. While some names in the portfolio will have cyclical exposure in a recessionary environment, others will be able to compound their intrinsic value as they execute on their growth strategy. We believe several of the Fund's holdings can perform well even in a recessionary environment.

The Fund continues to invest primarily in equity securities of North American companies over a broad range of industry sectors. As of June 30, 2022, 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, 2022 was \$791.6 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*

As discussed above, given the Fund's underperformance in the first half the year, we believe it sets up the Fund well to deliver strong results going forward. One, valuations have been significantly de-rated and reset, making the Fund's holdings very attractively valued in our opinion. Second, the holdings of the Fund continue to execute on their strategy and are on a path to creating strong shareholder value. The Fund seeks to invest in businesses that can control their own destiny in a broad range of economic conditions, have a clear and identifiable strategy to create shareholder value, have financial flexibility and a strong management team.

While we generally do not make macro calls, we think it is important to at least have a directional view of the macro forces. In the case of the Fund, we believe rates are approaching peak levels and U.S. & Canadian Central Bankers will begin to slow their rate hiking pace in Q3 2022 as they hit their Neutral Rate. We also believe a recession is likely and imminent as the economy recalibrates to an environment with significantly higher cost of capital, heightened level of fear by market participants and a consumer who significantly curtails their consumption and bolsters their savings. Central Bankers are fighting inflation the only way they can, by causing demand destruction. While the supply side of the equation may ultimately back fill inflation fears, we think that is some ways off. So, for now, the only way to bring inflation down is by destroying demand; and, hence causing a recession. We feel the real question is not whether there will be a recession or not, but rather how deep will it be and how long will it last? In addition to a recession, we also worry about what unknown systemic risks are out there today. The Global Financial Crisis saw the emergence of a banking crises. While the banks and the consumer are in much better strength today, we believe a lot of the risk has shifted to unregulated "shadow markets" in lending (alternative lenders), investing (crypto, fintech), and personal consumption (Buy Now Pay Later). Whether these risks are systemic, intertwined, and meaningful enough, time will tell.

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 continues to hold a position in Convertible Notes and Warrants of Virginia Black LLC, a US private company. As at June 30, 2022 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.

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. 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, 2022, total brokerage commissions paid by the Fund were \$3,177 and commissions and fees on corporate finance transactions amounted to \$8,960. Therefore, during the period total commission directed by the Fund were \$12,137. 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 \$3,177.

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 period ended June 30, 2022 was approximately \$192.

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, 2022 and the past five years ending December 31.

The Fund's Net Assets Per Unit (\$) ¹

	2022		2021		2020		2019		2018		2017	
	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	\$25.04	\$16.99	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31	\$18.12	\$11.75	\$17.35	\$11.13
Increase (decrease) from operations:												
Total revenue	0.14	0.10	0.31	0.21	0.12	0.04	0.29	0.19	0.33	0.22	0.26	0.18
Total expenses	(0.52)	(0.27)	(1.17)	(0.58)	(0.86)	(0.47)	(0.74)	(0.37)	(0.82)	(0.41)	(0.80)	(0.41)
Realized gain (loss) on investments	1.13	0.69	2.99	2.06	10.21	10.94	1.46	0.78	0.21	0.16	0.76	0.46
Unrealized gain (loss) on investments	(8.26)	(5.80)	(3.70)	(2.55)	0.29	0.18	(0.39)	(0.00)	(2.08)	(1.40)	0.32	0.75
Total increase (decrease) from operations ²	(7.50)	(5.27)	(1.58)	(0.87)	9.75	10.69	0.61	0.60	(2.35)	(1.43)	0.55	0.98
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 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	\$17.48	\$11.92	\$25.04	\$16.99	\$26.59	\$17.84	\$16.17	\$10.73	\$15.72	\$10.31	\$18.12	\$11.75

¹ For the period ended June 30, 2022 and years ended December 31. The information for each December 2021, 2020, 2019, 2018 and 2017 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 2022 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.

Ratios and Supplemental Data ¹

	2022		2021		2020		2019		2018		2017	
	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) ¹	\$ 1,863	\$ 1,944	\$ 3,773	\$ 2,623	\$ 4,165	\$ 3,118	\$ 3,374	\$ 1,216	\$ 4,426	\$ 1,718	\$ 6,529	\$ 2,160
Number of units outstanding ¹	106,567	163,031	150,687	154,433	156,630	174,803	208,619	113,361	281,634	166,709	360,285	183,775
Management expense ratio ²	4.70%	3.59%	4.02%	2.87%	4.85%	3.62%	3.94%	2.81%	3.65%	2.51%	3.96%	2.98%
Management expense ratio before waivers or absorptions	4.70%	3.59%	4.02%	2.87%	4.85%	3.62%	3.94%	2.81%	3.65%	2.51%	3.96%	2.98%
Trading expense ratio ³	0.14%	0.12%	0.29%	0.29%	0.40%	0.44%	0.52%	0.55%	0.74%	0.75%	0.67%	0.68%
Portfolio turnover rate ⁴	36.65%	36.65%	54.47%	54.47%	95.97%	95.97%	117.32%	117.32%	124.35%	124.35%	157.86%	157.86%
Net assets value per unit	\$ 17.48	\$ 11.92	\$ 25.04	\$ 16.99	\$ 26.59	\$ 17.84	\$ 16.17	\$ 10.73	\$ 15.72	\$ 10.31	\$ 18.12	\$ 11.75

¹ This information is provided for the six month period ending June 30, 2022 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.

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, 2022 were \$40,128. Please refer to *Related Party Transactions - Other* on page 3.

For the six month period ended June 30, 2022, 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.

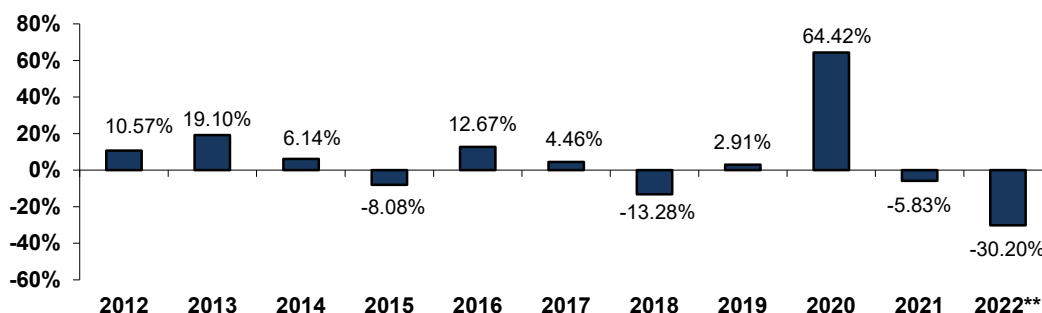
PAST PERFORMANCE

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

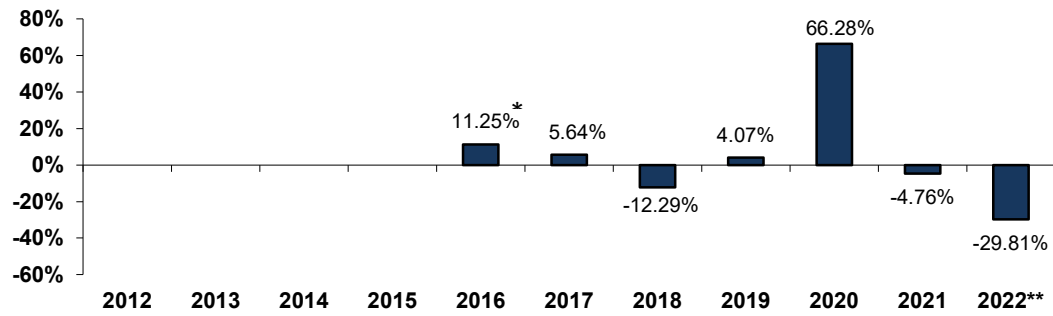
The bar chart shows how the Fund's performance has varied from year to year for each of the periods shown. It shows in percentage terms how an investment made on January 1 would have increased or decreased by December 31 of that year.

Class A



**For the period ending June 30, 2022

Class F



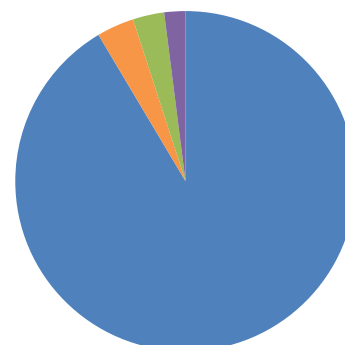
* For the period beginning July 8, 2016 (the date on which units of class F were first sold) to December 31, 2016.

**For the period ending June 30, 2022

SUMMARY OF INVESTMENT PORTFOLIO AS AT JUNE 30, 2022

Asset Mix (as a % of NAV)

Canadian Equity	91.5%
Other	3.6%
US Equity	3.0%
Net Cash	2.0%
	100.0%



Total Net Assets: \$ 3,806,531

■ Canadian Equity ■ Other ■ US Equity ■ Net Cash

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

1	Quipt Home Medical Corp.	7.4%
2	Polaris Infrastructure Inc	7.2%
3	Voxtur Analytics Corp	7.1%
4	Green Impact Partners Inc	5.5%
5	Gibson Energy Inc	5.1%
6	Cargojet Inc	4.5%
7	Waterloo Brewing Ltd	4.1%
8	CCL Industries Inc	3.8%
9	Tidewater Midstream and Infrastructure Ltd	3.6%
10	Good Natured Products Inc	3.5%
11	Boyd Group Services Inc	3.4%
12	Quisitive Technology Solutions Inc	3.4%
13	Medexus Pharmaceuticals, Inc.	3.4%
14	Opera Event Inc CV 12.5% 07/26/2022	3.4%
15	PopReach Corp	3.3%
16	Enghouse Systems Ltd	3.3%
17	NowVertical Group Inc.	3.3%
18	Sangoma Technologies Corporation	3.2%
19	TFI International Inc	3.1%
20	Argan Inc	3.0%
21	FirstService Corp	2.3%
22	Newtopia Inc	2.3%
23	Brookfield Business Partners LP	2.3%
24	Newtopia Inc *Restricted 08/30/2022	2.0%
25	Nanoxplore Inc	1.9%

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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