

# ROMC TRUST

June 30, 2021

INTERIM MANAGEMENT REPORT OF FUND  
PERFORMANCE

This interim management report of fund performance contains financial highlights but does not contain the complete financial statements of ROMC Trust (the Fund). You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-866-261-6669, by writing to McLean Asset Management Ltd., 1 Richmond Street West, Suite 800, Toronto, Ontario M5H 3W4 or by visiting [www.mamgmt.com](http://www.mamgmt.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 proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

The report you are about to read contains opinions of the author as well as estimates and unaudited figures. The author has attempted accuracy. This report is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

### **About ROMC Trust**

ROMC Trust (ROMC or "the fund") is a Canadian reporting issuer unit trust founded in 2016.

ROMC's goal is to generate a positive return on investor capital, principally through ownership in common equity investments. ROMC's manager believes that a good business generates a high economic return on its own capital. A good investment results from acquiring an interest in a good business at a sensible price, thereby producing an attractive economic return on investor capital. Economic returns typically take the form of earnings, dividends and interest income but can also derive from rising asset values.

ROMC's manager encourages unitholders to focus on economic results, believing that attractive economic returns lead to positive market returns, which help investors maintain their purchasing power over time. Given the detrimental effects of long-term inflation and taxes, maintaining purchasing power is easier said than done. The great fund manager John Templeton said: "For all long-term investors, there is only one objective: maximum total real return after taxes." This truism lies at the heart of what ROMC does.

ROMC has concentrated positions. ROMC's fiscal year follows the calendar year. Valuations are currently performed daily (on each business day). Unitholders are entitled to receive an annual management report of fund performance, together with annual audited financial statements, as well as an interim management report of fund performance, together with interim financial statements. Unitholders can contact us to request a copy of ROMC's proxy voting policies and procedures, proxy voting record, and quarterly portfolio disclosure.

ROMC's service providers:

#### **Administrator**

Convexus Managed Services Inc  
135 Commerce Valley Drive East  
Thornhill, Ontario L3T 7T4  
Tel. 905-707-5998

#### **Auditor**

BDO Canada LLP  
222 Bay Street, Suite 2200  
Toronto, Ontario M5K 1H1  
Tel. 416-865-0200

#### **Fund Manager**

McLean Asset Management Ltd  
1 Richmond Street West, Suite 701  
Toronto, Ontario M5H 3W4  
Tel. 416-488-0547

For more information, including ROMC's Prospectus, historical performance results and contact details, please visit ROMC's website at [www.mamgmt.com](http://www.mamgmt.com) or contact the fund manager directly by phone at 416-488-0547, or by email at [davidmclean@mamgmt.com](mailto:davidmclean@mamgmt.com).

Investors have the right to cancel a subscription, have their money returned and/or claim damages if information provided to them by management misrepresents facts about ROMC. More details about investor rights can be found in the Ontario Securities Act, under section 130.1(1).

## Management Discussion of Fund Performance

### Investment objectives & Strategies

To achieve ROMC Trust's objectives, your manager selects securities that offer a perceived discount to those offered generally in securities markets. It is the belief that a good investment is generally determined by acquiring a productive asset that generates an attractive economic return on investor capital. Economic returns typically take the form of earnings, dividends and interest income but can also derive from rising asset values. To do this, ROMC Trust will tend to hold only a handful securities at one time. There are few moments when most securities are available at perceived discounts, even when looking globally. As a result, the Fund will tend to concentrate positions.

### Risk

At June 30, 2021, ROMC held six per cent of the portfolio in cash. Currently, we have a higher allocation to cash than does our benchmark and any fund mimicking that benchmark index. That will likely continue over the life of your fund. That is not to say that value doesn't exist, it does. But because of subscriptions, redemptions and the payment of operating expenses, we will typically hold at least some cash. The index does not. Also and because ROMC is a value-oriented fund, we will only deploy cash to investment opportunities as and when we see compelling value. If the stock market rises strongly, holding cash limits the fund's ability to keep up. Unitholders should know that these two factors act as a hurdle in a rising market and act as a buffer in a falling market. My view is that it is best to ignore much that goes on in the market: it is there to serve, not to guide.

Risks involved with an investment fund with a global mandate like ROMC include: securities market risk, foreign-currency risk, security-issuer risk, political & legal risk, broker/dealer risk, tax risk, net asset value fluctuation, limited operating history, key personnel risk, multi-class risk, no guaranteed return, loss of limited liability, and a reliance on historical data risk. It's a good idea for all investors, whether existing or prospective, to read the fund's most recent prospectus and consider the fund's risks.

### Results of operations

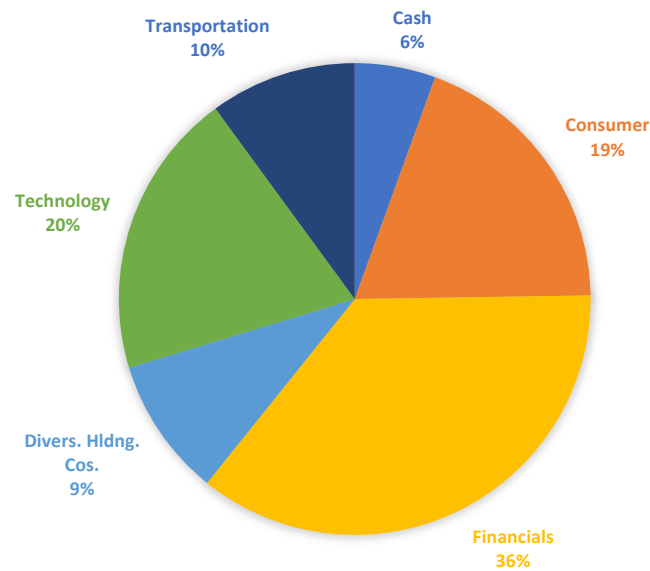
For the interim period ended June 30, 2021, series A units and series F units of the fund increased 23.20 per cent and 23.55 per cent, respectively. There were no distributions to unitholders over the period. By comparison, the MSCI World Equity Index (in Canadian dollars) gained 10.15 per cent on a gross basis.

During the period, we had comprehensive income of \$2,633,026 (including unrealized gains of \$1,525,356). Gross operating expenses were \$147,578.

Since year end, we have reduced our holdings in US equities, particularly in financials. We have added to our holdings in international equities where long-term economic growth is expected to outpace countries closer to home. Finally, we added some exposure to Canadian equities through the purchase of common shares in insurance and telecommunications. At June 30, 2021, ROMC had the following allocations:

ROMC Trust asset mix as at:	30-Jun-21	% Fund net assets
Canadian equities		24%
US equities		30%
European equities		11%
International equities		30%
Cash & equivalents		6%
<b>Total - ROMC Trust</b>		<b>100%</b>

## ROMC Trust Sector allocation at 30-Jun-21

Recent developments

For the year-to-date period, we enjoyed positive net flows into the fund from new and existing owners. We managed to put most of that new capital to work and have enjoyed positive performance—both absolute and relative to the index. At time of writing, your manager believes that value is still reasonable in most of our holdings but particularly in Canadian financials, specifically in insurance. In last year’s report to you, I suggested that we had suffered underperformance relative to our benchmark (MSCI World Equity Index) due to our material allocation to financials. I suggested that they seemed oversold and believed that holding on was the better course of action. Since that time, your fund has increased substantially more than the index and now our medium-term returns appear more reasonable. We still have some catching up to do on our longer-term relative performance and I believe that we will be rewarded by continuing to hold onto our financials, particularly Canadian insurance.

For the inquisitive unitholder, you can keep up with goings on at ROMC by viewing our fund’s portfolio holdings—updated quarterly at [www.mamgmt.com](http://www.mamgmt.com), by clicking on “ROMC Trust” and then on “Reporting.” Also, while you are there, you can find the most recent report from the Independent Review Committee and other reporting details that might help you better understand your fund.

Related party transactions

McLean Asset Management Ltd. (the manager) is a related party and provides or arranges for the provision of all general management and administrative services rendered by ROMC Trust (the Fund, or your fund) in its day-to-day operations, including providing investment advice and arranging for the provision of record-keeping services for the fund. The manager also acts as trustee to the fund.

In providing or arranging for the provision of investment advisory and management services, the manager is entitled to receive an investment management fee from investors in the fund. Management fees are expensed against the net assets of the fund on each valuation day and paid out monthly or quarterly, at the option of the manager.

ROMC's manager is a unitholder and all transactions between the manager (and any parties related to the manager) with the fund are done on an arm's length basis, on the same terms as any unitholder.

### Financial Highlights

The following tables show selected financial data for ROMC Trust that is intended to help you understand your fund's financial performance. This information is derived from the fund's audited annual and unaudited interim financial statements. For 2021, the data is for the six-month period from January 1 to June 30.

ROMC Trust net assets per unit - series A	2021	2020	2019	2018	2017	2016*
Net asset value, beginning	13.99	14.97	11.24	11.88	11.09	10.00
Increase (decrease) from operations:						
Total revenue	0.10	0.15	0.25	0.27	0.15	0.10
Total expenses	(0.18)	(0.28)	(0.23)	(0.25)	(0.22)	(0.16)
Realized gains (losses) for the period	1.31	0.18	0.32	(0.07)	(0.17)	(0.04)
Unrealized gains (losses) for the period	1.97	(0.26)	3.36	(0.55)	0.96	1.24
Total increase (decrease) from operations (1)	3.20	(0.21)	3.70	(0.60)	0.72	1.14
Distributions:						
From income (excluding dividends)						
From dividends						
From capital gains		0.53				
From return of capital						
Total distributions (2)	-	0.53	-	-	-	-
Net asset value, end	17.23	13.99	14.97	11.24	11.88	11.09

ROMC Trust ratios and supplemental data - series A	2021	2020	2019	2018	2017	2016*
Net assets (000's) (3)	\$13,640	\$10,275	\$9,229	\$6,163	\$7,491	\$4,690
Number of units outstanding (3)	791,609	734,648	616,388	548,347	630,649	422,700
Management expense ratio (4)	2.36%	2.15%	1.67%	1.88%	1.80%	2.39%
Management expense ratio before waivers	2.36%	2.69%	2.75%	3.01%	3.18%	3.49%
Portfolio turnover rate (5)	22.02%	110.81%	45.19%	27.66%	7.66%	7.45%
Trading expense ratio (6)	0.04%	0.32%	0.07%	0.12%	0.02%	0.23%
Closing market price	17.23	13.99	14.97	11.24	11.88	11.09

\* Period from June 3, 2016 to December 31, 2016

ROMC Trust net assets per unit - series F	2021	2020	2019	2018	2017	2016*
Net asset value, beginning	14.35	15.28	11.41	11.99	11.13	10.00
Increase (decrease) from operations:						
Total revenue	0.11	0.18	0.25	0.28	0.15	0.05
Total expenses	(0.14)	(0.22)	(0.16)	(0.18)	(0.16)	(0.09)
Realized gains (losses) for the period	1.34	0.33	0.29	(0.03)	(0.14)	0.01
Unrealized gains (losses) for the period	2.06	(2.23)	3.59	(0.80)	0.69	1.15
Total increase (decrease) from operations (1)	3.37	(1.94)	3.97	(0.73)	0.54	1.12
Distributions:						
From income (excluding dividends)						
From dividends						
From capital gains		0.54				
From return of capital						
Total distributions (2)	-	0.54	-	-	-	-
Net asset value, end	17.73	14.35	15.28	11.41	11.99	11.13

ROMC Trust ratios and supplemental data - series F	2021	2020	2019	2018	2017	2016*
Net assets (000's) (3)	\$438	\$417	\$660	\$835	\$538	\$238
Number of units outstanding (3)	24,685	29,081	43,216	73,192	44,862	21,336
Management expense ratio (4)	1.79%	1.58%	1.10%	1.32%	1.22%	1.31%
Management expense ratio before waivers	1.79%	2.12%	2.19%	2.45%	2.63%	2.44%
Portfolio turnover rate (5)	22.02%	110.81%	45.19%	27.66%	7.66%	7.45%
Trading expense ratio (6)	0.04%	0.26%	0.05%	0.13%	0.02%	0.23%
Closing market price	17.73	14.35	15.28	11.41	11.99	11.13

\* Period from June 3, 2016 to December 31, 2016

- (1) Net asset value 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. Differences between the two methods of calculation can create inconsistent results, as happened in 2016. If I were you, I would focus on the net asset value of ROMC because that is what you pay when you buy or receive if you were to sell.
- (2) Distributions were reinvested in additional units.
- (3) This information is provided as at period end shown and is rounded to the nearest thousand.
- (4) Management expense ratio (MER) is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
- (5) 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 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 the fund.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

### Management fees

In consideration for the provision of management services to ROMC, McLean Asset Management Ltd. (the manager) receives a management fee at the annual rate of 1 per cent, plus applicable sales taxes, of the net asset value of the fund's series F units and 1.5 per cent, plus applicable sales taxes, of the net asset value of the fund's series A units, calculated and accrued daily and payable monthly or quarterly in arrears.

The manager will pay to registered dealers a service fee equal to 0.5 per cent per year of the net asset value of the series A units held by clients of the registered dealer. No service fees are paid to registered dealers in respect of the series F units.

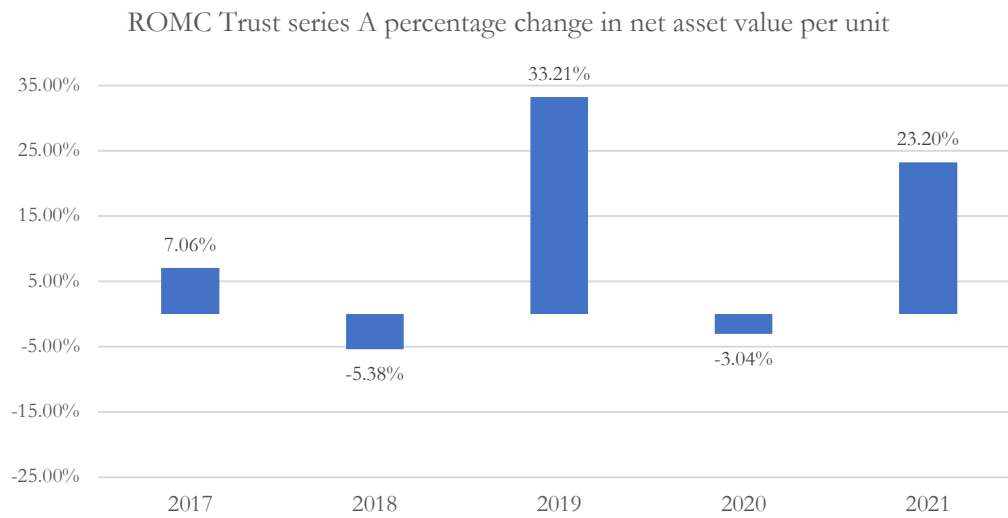
For the first half of 2021, total management fees for both series were \$101,874.

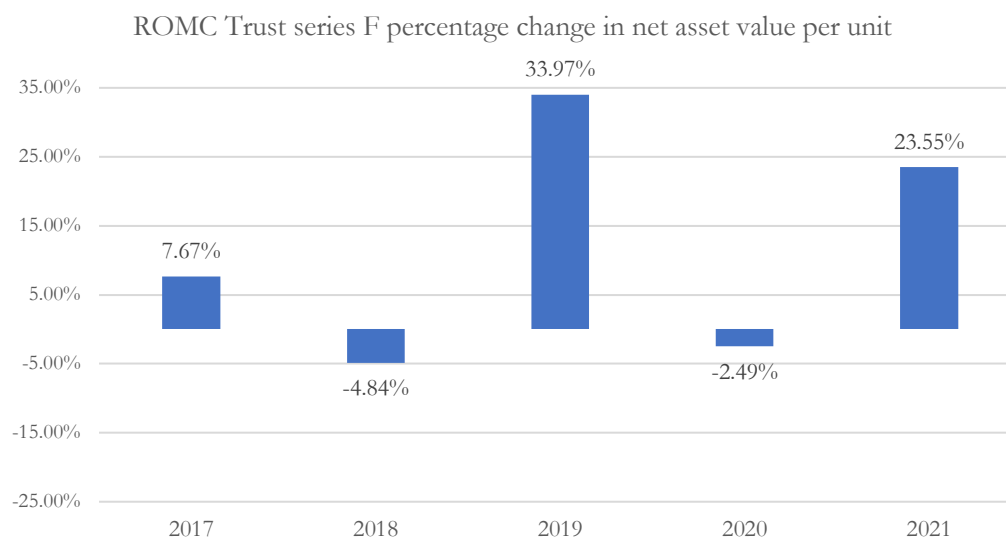
### Past performance

Commissions, trailing commissions, management fees and expenses all may be associated with an investment in the Fund. Please read the prospectus before investing. The indicated rates of return are the historical total returns including changes in unit value and reinvestment of all distributions (if any), and do not take into account sales, redemptions, distributions or optional charges or income taxes payable by any investor that would have reduced returns. An investment in the Fund is not guaranteed. Its value changes frequently and past performance may not be repeated. The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold the Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

### *Year-by-year returns*

The following charts show the Fund's performance for each of the series A and series F units for each of the years shown. The charts show, in percentage terms, how much an investment made on the first day of the financial year would have grown or decreased by the last day of the financial year, or period under review. For 2021, the return is for the six-month period from January 1 to June 30.





### *Annual compound returns*

The following table compares the fund's annual compounded total return for each series of the Fund along with a comparable market index. The MSCI World Index is a broad global equity benchmark that represents large and mid-cap equity performance across developed-market countries.

Over the past year, ROMC Trust overperformed the MSCI World Index (in Canadian dollars) by close to 20 per cent. The reason for this overperformance was mainly due to our holdings in financials, specifically in insurance. Since inception, the fund has lagged the MSCI World Index by a little over one per cent per year for series A and somewhat less than one per cent per year for series F.

The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the Fund or future returns on investments in the Fund.

To June 30, 2021	Past year	Past 3 years	Past 5 years	Since inception *
ROMC Trust series A	45.74%	12.89%	12.72%	12.14%
ROMC Trust series F	46.56%	13.53%	13.36%	12.78%
MSCI World Index (CAD)	26.99%	13.28%	14.35%	13.68%

\* Inception June 3, 2016



Summary of investment portfolio

Asset Allocation as at:	30-Jun-21	% of fund net assets
Cash & equivalents		6%
Equities & equivalents		94%
<b>Total net asset value of ROMC Trust</b>	<b>\$14,077,995</b>	<b>100%</b>

Common equities & equivalents as at:	30-Jun-21	% of fund net assets
Alibaba Group Holding		10%
Apple Inc		2%
Aritzia Inc		9%
Atlas Corp		10%
BCE Inc		5%
Berkshire Hathaway Inc, class B		9%
Cairo Mezzanine Plc		0%
Eurobank Ergasias SA		11%
Facebook Inc		12%
Fairfax Financial Holdings Limited		9%
Fairfax India Holdings Corp		10%
Progressive Corp		6%
<b>Total - Equities</b>		<b>94%</b>

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