

ROMC TRUST

December 31, 2022

MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2022

This annual 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 701, Toronto, Ontario M5H 3W4 or by visiting www.mamgmt.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 proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

About ROMC Trust

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.

ROMC's service providers:

Administrator

Damelin Financial Services Inc
405 – 391 Brunswick Avenue
Toronto, Ontario M5R 2Z2
Tel. 647-360-4771

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 or contact the fund manager directly by phone at 416-488-0547, or by email at davidmclean@mamgmt.com.

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.

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).

To the Owners of ROMC Trust:

In 2022, ROMC Trust's net asset value declined \$642,217. On a per-unit percentage basis, the decrease was 4.46 per cent for series A and 3.92 per cent for series F. Since inception (over six years ago), our per-unit net asset value, including distributions, has increased from \$10 to \$17.79 for series A and to \$18.46 for series F, an average annual compound growth rate of 9.16 per cent and 9.78 per cent, respectively.

Economic progress

The big story in 2022 was the rise in inflation, accelerating from 2020's less than one per cent to last year's more than six. About a year ago, central banks took notice and started to raise interest rates from practically nothing to almost the equivalent of earnings yields in the stock market. The following table illustrates:

Year-end annualized yields & inflation	2022	2021	2020
S&P 500 Index earnings yield *	4.5%	4.2%	2.5%
10-year treasury bond yield **	3.3%	1.4%	0.7%
3-mth treasury bill yield **	4.3%	0.2%	0.1%
Inflation **	6.3%	4.8%	0.7%

* Source: www.us.spindices.com

** Source: www.bankofcanada.ca

ROMC's job is to outpace inflation, after taxes. How else will your purchasing power increase? But with inflation above the yields on all major asset classes, that job is made difficult. Gone are the days of easy money. Now the real work begins; finding productive assets that yield more than inflation, after factoring in the tax hurdle rate. Given the numbers above, you won't be doing that in an equity index fund; nor will you find success in a ten-year bond, and cash won't get you there either. The money tide is going out and with it, speculation—especially the leveraged kind. You only need to look as far as cryptocurrency, where the latest example of financial alchemy is exacting its toll on the once bewitched.

Expenses

Last year, ROMC's management expense ratio (MER) was 2.59 per cent for series A and 2.12 per cent for series F (up from 2.30 per cent and 1.74 per cent, respectively in 2021). The MER is calculated using the Fund's operating expenses. It is determined by adding up expenses charged against the Fund and dividing them by the Fund's average daily net assets over the same period.

Taxes

For taxable owners, T3 slips show a per-unit distribution for last year in the amount of \$0.18 for series A and \$0.23 for series F. Since inception, more than six-and-a-half years ago, we've only had three income distributions, worth a total of 15 per cent of our \$10 value at inception. By comparison, at year end, the fund's per-unit net asset value, including distributions, was about 80 per cent higher than at our start.

Final thoughts

Benjamin Graham, in *The Intelligent Investor*, wrote that: "In the short run, the market is a voting machine but in the long run, it is a weighing machine." What he meant was, at times, buying or selling in securities markets will have little to do with economic value. Instead, it will be based on the collective emotion of market participants. But business isn't run on emotion, it is run on economics and more specifically, return on capital. Within this battle between votes and weight is the cost of money, or interest rates. When they are normal (in line with inflation), they act as scales for market participants, offering a benchmark for returns on capital. When they are perverted, as they were from 2009 to 2021 when rates were held below the rate of inflation, they alter otherwise reasonable behaviour and lead the market off its balanced diet and on to a binge. When reason returns, as it always does and interest rates correct, the ensuing reaction appears more like a famine: capital is withdrawn from once celebrated (and inflated) assets that quickly lose weight, whither, and even expire. We want to avoid such assets in favour of those that continue to grow. In investing, nothing is healthier than a large and expanding girth.

March 30, 2023

David McLean

Management Discussion of Fund Performance

Investment objectives & Strategies

To achieve ROMC Trust's objectives, your manager selects securities that offer a perceived discount to value found generally in securities markets. The belief is that a good investment is generally determined by acquiring a productive asset that generates an attractive economic return on investor capital. It involves an analysis of the strengths of individual issuers, with much less emphasis on short-term market factors. Greater importance is placed upon an assessment of an issuer's financial strength as well as current and future earnings power. The strategy follows disciplines regarding price paid to acquire portfolio investments. The level of investment in an issuer's securities is generally commensurate with the price of the issuer's securities in relation to its intrinsic value. The approach is designed to provide a margin of safety, which in turn serves to reduce overall portfolio risk. Economic returns typically take the form of earnings, dividends and interest income but can also derive from rising asset values. 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 year end, ROMC held 13 per cent of the portfolio in cash. As we compare ourselves to a cashless index, any amount of cash on ROMC's balance sheet will act as a drag on relative performance in a rising market environment. ROMC's focus is less on the level of cash held in the portfolio than on value for money in investment opportunities and any lack of perceived value will likely see us with cash. ROMC will do little to chase the market and that may mean periods of underperformance.

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

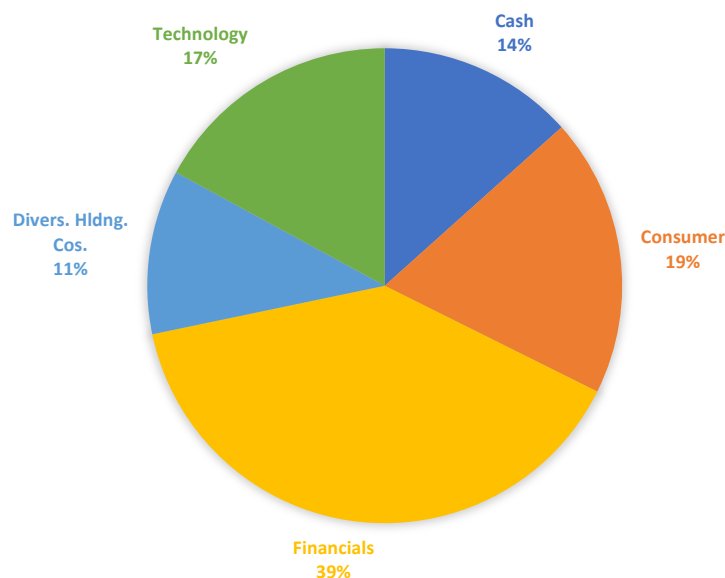
Last year, series A units and series F units of the Fund—including the year-end distribution—showed a decrease of 4.46 per cent and 3.92 per cent, respectively. As we realized capital gains over the year, there was a per-unit distribution to unitholders of \$0.18 to series A and \$0.23 to series F. By comparison, the MSCI World Equity Index (in Canadian dollars) declined 11.75 per cent on a gross basis.

Last year, we had a comprehensive loss of \$305,519 (including unrealized losses of \$1,450,329). Operating expenses were \$336,698. Because we had realized gains during the year, there was a modest distribution to unitholders.

At year end, we held 12 common stock investments, spread out globally over five industry groups. Over the period since I last reported to you, changes made to the portfolio were as follows: (i) an increase in cash; (ii) a net increase in financials through gains in insurance, particularly in Canada; and (iii) an increase in a diversified holding company in India. At year end, ROMC had the following allocations:

ROMC Trust asset mix as at:	31-Dec-22	% Fund net assets
Canadian equities		22.4%
US equities		18.4%
European equities		21.4%
International equities		24.4%
Cash & equivalents		13.4%
Total - ROMC Trust		100.0%

ROMC Trust Sector allocation at 31-Dec-22

Recent developments

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, 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) 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.

ROMC Trust net assets per unit - series A	2022	2021	2020	2019	2018	2017	2016*
Net asset value, beginning	17.11	13.99	14.97	11.24	11.88	11.09	10.00
Increase (decrease) from operations:							
Total revenue	0.16	0.18	0.15	0.25	0.27	0.15	0.10
Total expenses	(0.43)	(0.38)	(0.28)	(0.23)	(0.25)	(0.22)	(0.16)
Realized gains (losses) for the period	1.59	1.52	0.18	0.32	(0.07)	(0.17)	(0.04)
Unrealized gains (losses) for the period	(2.44)	2.53	(0.26)	3.36	(0.55)	0.96	1.24
Total increase (decrease) from operations (1)	(1.11)	3.85	(0.21)	3.70	(0.60)	0.72	1.14
Distributions:							
From income (excluding dividends)							
From dividends							
From capital gains	0.18	0.83	0.53				
From return of capital							
Total distributions (2)	0.18	0.83	0.53	-	-	-	-
Net asset value, end	16.17	17.11	13.99	14.97	11.24	11.88	11.09

ROMC Trust supplemental data - series A	2022	2021	2020	2019	2018	2017	2016*
Net assets (000's) (3)	\$10,069	\$14,126	\$10,275	\$9,229	\$6,163	\$7,491	\$4,690
Number of units outstanding (3)	622,750	825,436	734,648	616,388	548,347	630,649	422,700
Management expense ratio (4)	2.59%	2.30%	2.15%	1.67%	1.88%	1.80%	2.39%
Management expense ratio before waivers	2.59%	2.30%	2.69%	2.75%	3.01%	3.18%	3.49%
Portfolio turnover rate (5)	72.00%	34.68%	110.81%	45.19%	27.66%	7.66%	7.45%
Trading expense ratio (6)	0.06%	0.04%	0.32%	0.07%	0.12%	0.02%	0.23%
Closing market price	16.17	17.11	13.99	14.97	11.24	11.88	11.09

* From June 3, 2016 to December 31, 2016

ROMC Trust net assets per unit - series F	2022	2021	2020	2019	2018	2017	2016*
Net asset value, beginning	17.59	14.35	15.28	11.41	11.99	11.13	10.00
Increase (decrease) from operations:							
Total revenue	0.08	0.20	0.18	0.25	0.28	0.15	0.05
Total expenses	(0.34)	(0.30)	(0.22)	(0.16)	(0.18)	(0.16)	(0.09)
Realized gains (losses) for the period	(0.86)	1.59	0.33	0.29	(0.03)	(0.14)	0.01
Unrealized gains (losses) for the period	2.10	2.70	(2.23)	3.59	(0.80)	0.69	1.15
Total increase (decrease) from operations (1)	0.98	4.19	(1.94)	3.97	(0.73)	0.54	1.12
Distributions:							
From income (excluding dividends)							
From dividends							
From capital gains	0.23	0.93	0.54				
From return of capital							
Total distributions (2)	0.23	0.93	0.54	-	-	-	-
Net asset value, end	16.67	17.59	14.35	15.28	11.41	11.99	11.13

ROMC Trust supplemental data - series F	2022	2021	2020	2019	2018	2017	2016*
Net assets (000's) (3)	\$3,234	\$454	\$417	\$660	\$835	\$538	\$238
Number of units outstanding (3)	193,976	25,815	29,081	43,216	73,192	44,862	21,336
Management expense ratio (4)	2.12%	1.74%	1.58%	1.10%	1.32%	1.22%	1.31%
Management expense ratio before waivers	2.12%	1.74%	2.12%	2.19%	2.45%	2.63%	2.44%
Portfolio turnover rate (5)	72.00%	34.68%	110.81%	45.19%	27.66%	7.66%	7.45%
Trading expense ratio (6)	0.05%	0.04%	0.26%	0.05%	0.13%	0.02%	0.23%
Closing market price	16.67	17.59	14.35	15.28	11.41	11.99	11.13

* 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.

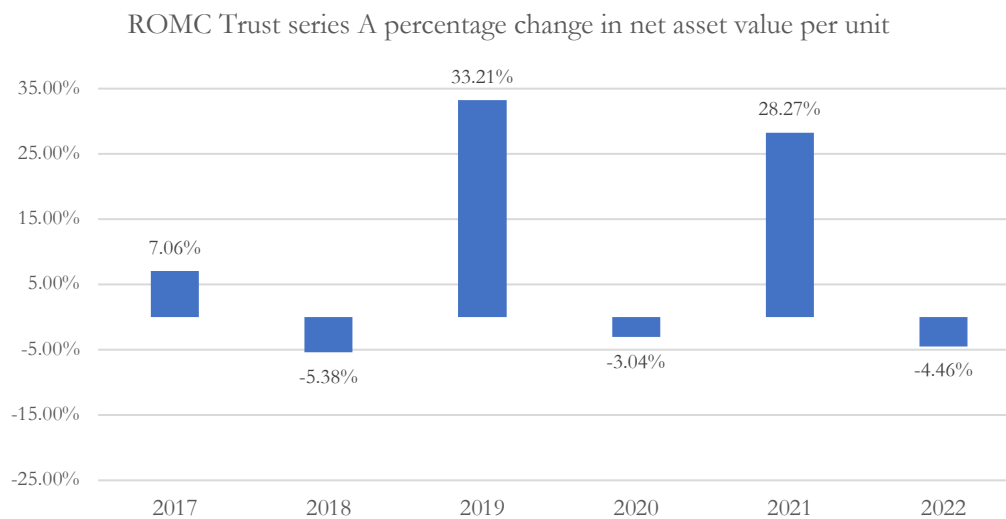
For 2022, management fees for both series were \$211,774 of which \$55,243 was paid to registered dealers.

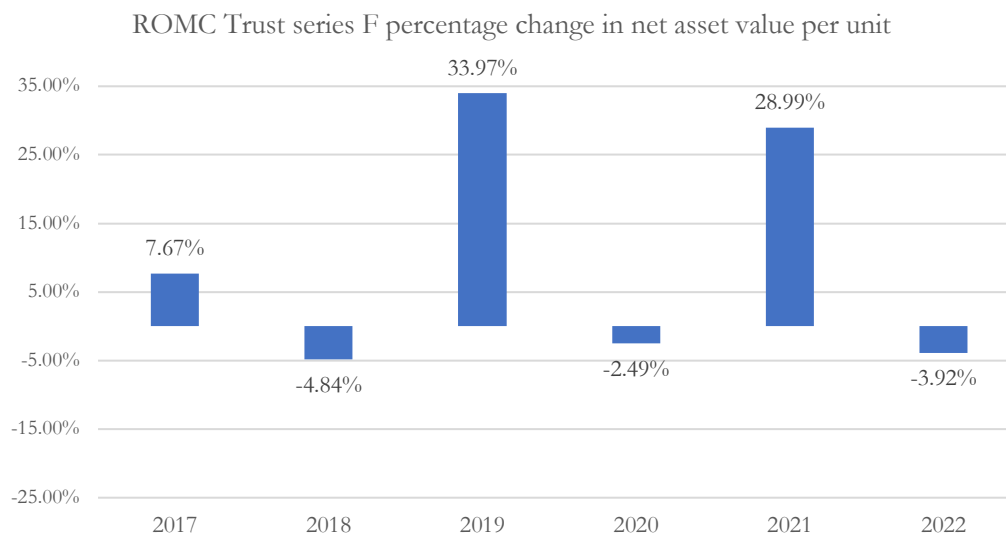
Past performance

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.





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. 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.

Over the past year, ROMC Trust overperformed the MSCI World Index (in Canadian dollars). The reason had mostly to do with outperformance of value versus growth investment methodologies but also, our asset allocation favours financials and they outperformed materially last year.

Since inception, ROMC Trust series A and series F have both underperformed the MSCI World Index but the gap has closed materially of late and as this is written, we are ahead of the index over the life of the Fund.

To December 31, 2022	Past year	Past 3 years	Past 5 years	Since inception *
ROMC Trust series A	-4.46%	5.92%	8.42%	9.16%
ROMC Trust series F	-3.92%	6.52%	9.03%	9.78%
MSCI World Index (CAD)	-11.75%	7.00%	8.37%	9.92%

* Inception June 3, 2016

Summary of investment portfolio

Asset Allocation as at:	31-Dec-22	% Fund net assets
Cash & equivalents		13%
Equities & equivalents		87%
Total net asset value of ROMC Trust	\$13,367,428	100%

Common equities & equivalents as at:	31-Dec-22	% Fund net assets
Alibaba Group Holding, ADR		9%
Alphabet Inc		4%
Aritzia Inc		4%
BCE Inc		2%
Bayer AG, ADR		7%
Berkshire Hathaway Inc, class B		8%
Cairo Mezzanine Plc		0%
Eurobank Group Holdings SA		15%
Fairfax Financial Holdings Limited		17%
Fairfax India Holdings Corp		11%
Meta Platforms, Inc		6%
Tencent Holding Ltd, ADR		4%
Total - Equities		87%

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