



## Management Report of Fund Performance

For the period ended  
June 30, 2024 (Unaudited)

### **TruX Exogenous Risk Pool**

The interim Management Report of Fund Performance contains Financial Highlights but does not contain the complete interim financial statements of the Investment Fund. You may obtain a copy of the interim financial statements at your request, and at no cost, by writing to us at 130 King Street West, Suite 1900, Toronto, Ontario, M5X 1E3, Canada or by calling us collect at 1.844.844.8789 or by visiting our website [www.truxinvestments.com](http://www.truxinvestments.com) or SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com). Securityholders may also contact us using one of these methods to request a copy of the investment fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

## **Forward-Looking Statements (“FLS”)**

The interim Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in a Mutual Fund?” in the Pool’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a fund’s current plans, estimates, opinions and analyses made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

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This interim Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the period ended June 30, 2024. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the TruX Exogenous Risk Pool's Declaration of Trust. In this report, "Manager" refers to True Exposure Investments, Inc., the Manager of the Pool. The "Pool" refers to the TruX Exogenous Risk Pool. In addition, "net asset value" or "NAV" refers to the value of the Pool as calculated for transaction purposes on which the discussion of Pool performance is based. All dollar figures are reported in Canadian dollars.

### Investment Objective and Strategies

The Pool seeks to provide relative or absolute capital preservation during sudden societal-level shocks that can negatively impact equities along with generating returns that are competitive with equity markets over the longer-term including periods between shocks. The Pool will use alternative investment strategies including borrowing for investment purposes, short selling and the use of derivatives to seek to manage market volatility. The Pool's aggregate exposure to leverage through these strategies will not exceed two times its Net Asset Value ("NAV"), measured on a daily basis. The Pool is subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102.

### Risk

The risks associated with investing in the Pool remain as discussed in the simplified prospectus. The Pool is suitable for someone who is looking for low to medium risk, a diversified portfolio of alternative investment strategies to hold as part of their balanced portfolio and has a medium-longer-term investment horizon.

For the period ended June 30, 2024, there were no changes affecting the overall level of risk associated with an investment in the Pool; therefore, the overall level of Pool risk and investor risk tolerance remains as stated in the simplified prospectus.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

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### Results of Operations

The Manager uses a blended benchmark to evaluate the performance of pool. It is important to note that the NAV of the Pool reflects the effect of fees and expenses for professional management, while the benchmark does not have such costs.

The net asset value of the Pool was \$11,561,283 on June 30, 2024 up from \$8,693,433 at December 31, 2023, reflecting the capital raised during the period and the changes in NAV due to valuations of the Pool's investments. The Pool had distributions amounting to \$135,771 for the period ended June 30, 2024.

In the first half of 2024, the Pool underperformed the S&P 500 (SPY). The risk mitigation policy of the Pool has an overweight position in defensive Consumer Staples and an underweight or short position in volatile Consumer Discretionary. This causes performance differentials, positive or negative, versus the S&P 500.

Since inception, the Fund's volatility has been approximately half that of the S&P. In other words, it has been performing as intended as both diversifier and down-side risk hedge.

### CONSUMER STRATEGY

*In past downturns Consumer Staples performed relatively well due to steady demand, while Consumer Discretionary declined as people reduced optional spending. Over-weighting Staples paired with a zero or short position in Discretionary can offer effective drawdown protection by benefitting from society's fear response.*

**Consumer Staples (XLP)** had a respectable first half growing 7.9%, but nevertheless lagged the S&P 500 which surged 15.2% on the strength of large cap technology stocks.

**Consumer Discretionary (XLY)** short position had a negligible but negative impact of the Pool as the trade was only in place since April 22, 2024.

### SPECIALTY ASSETS

Specialty Assets are effective diversifiers in benign periods. During market shocks they may also provide powerful protection. Each Specialty Asset is imperfect for this role as they can be volatile, unreliable or most effective in environments that are difficult to forecast. TERP has limited positions in three diversified assets.

**Gold bullion (VALT.U)** had a strong first half nearly keeping pace with the S&P. In part this was attributable to geopolitical issues including the Mideast conflict and further worries about government debt levels.

**U.S. Treasury Bonds (IEF)** were not held in the Pool during 2024 until May when the portfolio adopted a more defensive stance. One material change is that this allocation is now filled by 7-10 year Treasuries instead of 1-3 years as previously.

**Volatility Index (VIXY)** is inversely correlated to the S&P and approximately six times as volatile. VIXY is purchased and held when the strategy is in the Growth State. At such time, equity exposure is higher and VIXY provides critical insurance. VIXY lost 70% of its value, although its total allocation was under 2%.

### TACTICAL EQUITY

Tactical Equity is the stabilizer to TERP contributing to performance when equities are advancing. This element is required because the Consumer Strategy is protective and concentrated and will not track the broad market closely. Likewise, Specialty Assets are designed to offset downside risk.

The S&P 500 (SPY) and NASDAQ (QQQ) had an excellent first half primarily from a small group of large cap growth and technology companies called the 'magnificent seven'. The NASDAQ (QQQ) has a greater concentration to these names. The SPY and QQQ grew 15.2% and 17.3% respectively.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

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As prescribed by NI 81-102, the aggregate gross exposure of the Pool, to be calculated as the sum of the following, must not exceed three times the Pool's net asset value: (i) the amount of cash borrowed for investment purposes; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Pool's specified derivatives positions excluding any specified derivatives used for hedging purposes.

During the period ended June 30, 2024, the Pool's lowest and highest aggregate gross exposure was 0% (December 31, 2023 – 18.8%) and 40.9% (December 31, 2023 – 37.4%) of the Fund's NAV respectively. As at June 30, 2024, the Pool's aggregate gross exposure was 29.2% of the Pool's NAV. The primary sources of leverage were cash borrowing. The low and high end of the range are as a result of our investing activities, and timing of subscriptions and/or redemptions. The Pool's strategy is outlined in the simplified prospectus.

The Manager monitors, on a daily basis, that the Pool's aggregate gross exposure is less than three times the Pool's net asset value.

### Related Party Transactions

#### Management fees:

The Pool pays the Manager a weekly management fee for providing its services to the Pool. Redeemable units of the Pool are charged annual management fees equal to the following percentages of the Series NAV of the said Series of the Pool, calculated and accrued on each Valuation Date and payable weekly (except at month-end):

Series F	0.65%
Series N	0.30%
Series UN	0.30%
Series P	0.55%

Effective June 10, 2024, the Management fees for Series F has lowered from an annual rate of 0.70% to 0.65% of series net assets. The Management fees rate for Series N, UN and P remain the same as at June 30, 2024. Management fees are subject to applicable taxes, including QST, GST or HST. For the period ended June 30, 2024, management fees paid by the Pool totalled \$17,354.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

### Financial Highlights

The following tables show selected key financial information about the Series F, Series N and Series UN units of the Pool, respectively, and are intended to help you understand the Pool's financial performance for the period ended June 30, 2024, and years ended December 31, 2023 and 2022.

### The Pool's Net Assets Attributable to Holders of Redeemable Units per Unit

	June 30, 2024		
	Series F	Series N	Series UN
<b>Net assets, beginning of period</b> <sup>(1)(2)</sup>	<b>\$10.13</b>	<b>\$10.26</b>	<b>\$10.26</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	0.13	0.13	0.13
Total expenses	(0.21)	(0.20)	(0.20)
Realized gain (loss) for the period	0.43	0.38	0.37
Unrealized gain (loss) for the period	0.72	0.88	0.89
<b>Total increase (decrease) in net assets attributable to holders of redeemable units</b> <sup>(2)</sup>	<b>1.07</b>	<b>1.19</b>	<b>1.19</b>
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.16)	(0.15)	(0.15)
<b>Total annual distributions</b> <sup>(3)</sup>	<b>(0.16)</b>	<b>(0.15)</b>	<b>(0.15)</b>
<b>Net assets, end of period</b> <sup>(4)</sup>	<b>11.14</b>	<b>11.32</b>	<b>11.31</b>

### Ratios and Supplemental Data

Total Net Asset Value <sup>(4)</sup>	\$ 1,213,502	\$ 8,866,069	\$ 1,481,712
Number of units outstanding <sup>(4)</sup>	108,885	783,566	130,959
Management expense ratio <sup>(5)</sup>	1.15%	0.74%	0.75%
Trading expense ratio <sup>(6)</sup>	2.46%	2.46%	2.46%
Trading expense ratio without interest <sup>(6)</sup>	0.05%	0.05%	0.05%
Portfolio turnover rate <sup>(7)</sup>	62.98%	62.98%	62.98%
<b>Net Asset Value per Unit</b>	<b>\$11.14</b>	<b>\$11.32</b>	<b>\$11.31</b>

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

	December 31, 2023		
	Series F	Series N	Series UN
<b>Net assets, beginning of year</b> <sup>(1)(2)</sup>	<b>\$10.16</b>	<b>\$10.24</b>	<b>\$10.24</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	0.26	0.25	0.24
Total expenses	(0.34)	(0.26)	(0.26)
Realized gain (loss) for the year	(0.13)	(0.21)	(0.21)
Unrealized gain (loss) for the year	0.54	0.56	0.60
<b>Total increase (decrease) in net assets attributable to holders of redeemable units</b> <sup>(2)</sup>	<b>0.33</b>	<b>0.34</b>	<b>0.37</b>
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.31)	(0.30)	(0.30)
<b>Total annual distributions</b> <sup>(3)</sup>	<b>(0.31)</b>	<b>(0.30)</b>	<b>(0.30)</b>
<b>Net assets, end of year</b> <sup>(4)</sup>	<b>10.13</b>	<b>10.26</b>	<b>10.26</b>
<b>Ratios and Supplemental Data</b>			
Total Net Asset Value <sup>(4)</sup>	\$ 478,558	\$ 7,088,657	\$ 1,126,218
Number of units outstanding <sup>(4)</sup>	47,234	690,709	109,740
Management expense ratio <sup>(5)</sup>	1.08%	0.64%	0.64%
Trading expense ratio <sup>(6)</sup>	1.97%	1.97%	1.97%
Trading expense ratio without interest <sup>(6)</sup>	0.05%	0.05%	0.05%
Portfolio turnover rate <sup>(7)</sup>	55.63%	55.63%	55.63%
<b>Net Asset Value per Unit</b>	<b>\$10.13</b>	<b>\$10.26</b>	<b>\$10.26</b>

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

	December 31, 2022		
	Series F	Series N	Series UN
<b>Net assets, beginning of period</b> <sup>(1)(2)</sup>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	0.34	0.15	0.13
Total expenses	(0.16)	(0.08)	(0.07)
Realized gain (loss) for the period	(0.05)	(0.18)	(0.11)
Unrealized gain (loss) for the period	0.11	0.86	0.61
<b>Total increase (decrease) in net assets attributable to holders of redeemable units</b> <sup>(2)</sup>	<b>0.24</b>	<b>0.75</b>	<b>0.56</b>
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.32)	(0.19)	(0.18)
<b>Total annual distributions</b> (3)	<b>(0.32)</b>	<b>(0.19)</b>	<b>(0.18)</b>
<b>Net assets, end of period</b> <sup>(4)</sup>	<b>10.16</b>	<b>10.24</b>	<b>10.24</b>

### Ratios and Supplemental Data

Total Net Asset Value <sup>(4)</sup>	\$ 157,107	\$ 5,560,325	\$ 1,028,476
Number of units outstanding <sup>(4)</sup>	15,462	542,778	100,396
Management expense ratio <sup>(5)</sup>	1.07%	0.64%	0.64%
Trading expense ratio <sup>(6)</sup>	0.07%	0.07%	0.07%
Portfolio turnover rate <sup>(7)</sup>	100.85%	100.85%	100.85%
<b>Net Asset Value per Unit</b>	<b>\$10.16</b>	<b>\$10.24</b>	<b>\$10.24</b>

#### Notes:

- (1) This information is derived from the Pool's unaudited interim financial statements for June 30, 2024, and audited annual financial statements for December 31, 2023 and 2022. It is not a reconciliation of beginning and ending net assets per unit.
- (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.
- (3) Distributions were paid in cash or automatically reinvested in additional units of the Pool, or both.
- (4) This information is provided as at June 30, 2024 and December 31, 2023 and 2022.
- (5) Management expense ratio is based on total operating expenses (including non-portfolio interest and excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period. During the period ended June 30, 2024, the Manager absorbed \$38,699 in expenses that would have otherwise been charged to the Pool; the MER of each series had these expenses not been absorbed by the Manager would have been as follows:  
Prospectus Series: F – 2.03%, N – 1.53%, UN – 1.56%  
The Manager will continue this practice until such time as the Pool is of a size to absorb such expenses while maintaining its MER at a competitive level.
- (6) The trading expense ratio represents total commissions, portfolio interest and other portfolio transaction costs, including any applicable taxes expressed as an annualized percentage of daily average NAV during the period. Included in the trading expense ratio are the forward fees.
- (7) The Pool's portfolio turnover rate indicates how actively the Pool's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool 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 the 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.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

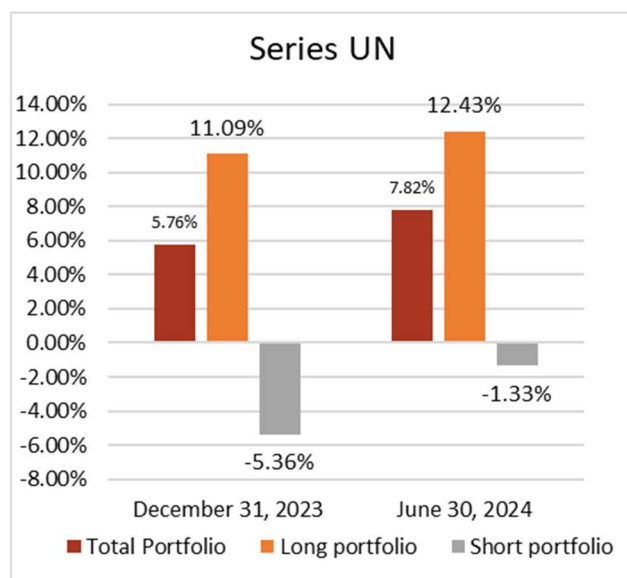
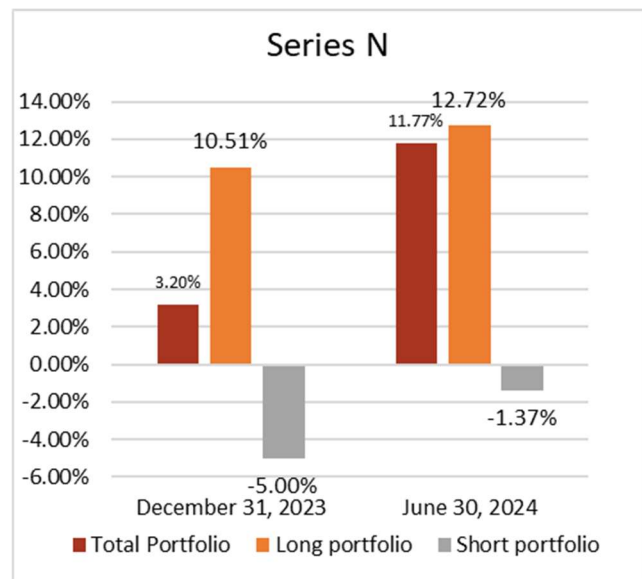
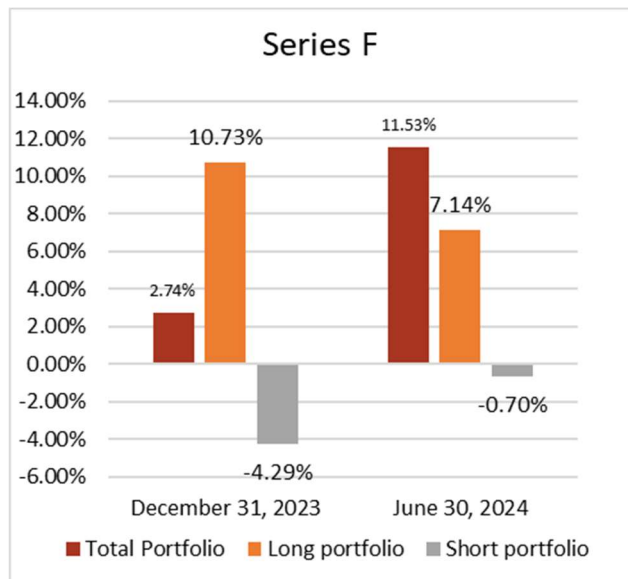
Financial Highlights – June 30, 2024

### Past Performance

#### Period-by-period returns:

The following bar charts show the Pool's interim performance for each of the series shown, as applicable, and illustrates how the Pool's performance has changed from period to period. The bar chart shows, in percentage terms, how much an investment in Series F, Series N and Series UN units, respectively, made on the first day of each financial period would have grown or decreased by the last day of the financial period. As required under applicable securities regulation, the return of the Fund's long and short portfolio positions are shown for each series in addition to the overall total return for each such series.

The interim returns for the period ended June 30, 2024, are as follows:



# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

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### Summary of Investment Portfolio as at June 30, 2024

The following table shows selected key financial information about the Pool and is intended to assist in the understanding of the Pool's financial performance for the period ended June 30, 2024:

By Asset Type	Percentage of Total Net Asset Value
Funds/ETFs (net)	95.53%
Cash	1.88%
Net derivatives	0.02%
Other Net Assets (Liabilities)	2.57%

By Country/Region Long Positions	Percentage of Total Net Asset Value
Canadian Securities	0.00%
U.S. Securities	100.00%

Long and Short Positions (excluding cash and other)	Industry Classification	Percentage of Total Net Asset Value
Long	Investment Funds	124.40%
Short	Investment Funds	-28.85%

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2024

Sum of Weight in		Sum of Weight in	
Top 25 Long Positions	TERP	Top 25 Short Positions	TERP
United States Treasury	42.74%	Amazon.Com Inc	-5.05%
Gold	9.31%	Tesla Inc	-3.89%
Costco Wholesale Corp	4.53%	Home Depot Inc	-2.37%
Procter + Gamble Co/The	4.37%	Mcdonald S Corp	-1.11%
Microsoft Corp	3.41%	Tjx Companies Inc	-0.90%
Walmart Inc	3.28%	Loews Corp	-0.87%
Apple Inc	3.18%	Booking Holdings Inc	-0.86%
Nvidia Corp	3.08%	Nike Inc Cl B	-0.67%
Coca Cola Co/The	2.79%	Chipotle Mexican Grill Inc	-0.61%
Alphabet Inc	2.03%	Starbucks Corp	-0.57%
Cash	1.99%	Airbnb Inc	-0.44%
Pepsico Inc	1.58%	O Reilly Automotive Inc	-0.43%
Philip Morris International	1.37%	Hilton Worldwide Holdings In	-0.39%
Meta Platforms Inc	1.29%	General Motors Co	-0.38%
Mondelez International Inc	1.20%	Marriott International Cl A	-0.37%
Broadcom Inc	1.04%	Ford Motor Co	-0.36%
Altria Group Inc	1.03%	Autozone Inc	-0.35%
Colgate Palmolive Co	1.02%	Ross Stores Inc	-0.32%
Target Corp	0.88%	Dr Horton Inc	-0.29%
Kimberly Clark Corp	0.60%	Royal Caribbean Cruises Ltd	-0.27%
Berkshire Hathaway Inc Cl B	0.55%	Yum Brands Inc	-0.26%
Eli Lilly + Co	0.54%	Lennar Corp A	-0.26%
Constellation Brands Inc A	0.54%	Lululemon Athletica Inc	-0.23%
Monster Beverage Corp	0.50%	Tractor Supply Company	-0.21%
Keurig Dr Pepper Inc	0.48%	Ebay Inc	-0.19%

The "Top 25 Holdings" of the Pool, as a percentage of Net Asset Value of the Pool, have been presented in accordance with National Instrument 81-106 and assume that the Pool holds directly the positions held by the investment funds owned by the Pool. These funds are, as at June 30th: SPDR S&P500 ETF Trust, Consumer Staples Select Sector SPDR Fund, Consumer Discretionary Select Sector SPDR Fund, iShares 7-10 Year Treasury Bond ETF, CI Gold Bullion Fund, Invesco QQQ Trust Series 1 and SPDR Bloomberg Barclays 1-3 Month T-Bill ETF. The prospectus and other information about the underlying investment funds are available on the internet at [www.sedarplus.com](http://www.sedarplus.com) or on the ETF's website. The Investment Portfolio may change due to ongoing portfolio transactions of the Pool. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.