

# Interim Management Report of Fund Performance



**ROI Canadian  
Retirement Fund™**

As at June 30, 2015

This interim Management Report of Fund Performance contains financial highlights, but does not contain either the complete interim or annual financial statements of the Fund. You may obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling 1 866 764 3863, by writing to us at 43 Front Street East, Suite 301, Toronto, Ontario M5E 1B3, or by visiting our website at [www.roicapital.ca](http://www.roicapital.ca) 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.

Every effort has been made to ensure that the information contained in this report is accurate as of June 30, 2015; however, the Fund cannot guarantee the accuracy or the completeness of this material. Please refer to the Fund's Prospectus, interim and audited annual financial statements for more information.



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### Results of Operations

#### *Financial Performance*

The net assets of the Fund as at June 30, 2015 were \$16,409,721 compared to \$19,049,644 at December 31, 2014. The decrease in net asset value is attributable to an increase in assets from operations of \$405,106, net redemptions of \$2,742,152 and distributions to unitholders of \$302,877.

#### *Investment Performance*

For the six-month period ended June 30, 2015, the Fund returned 1.99% for Series A. Please refer to the past performance section for the performance of other series offered by the Fund. The performance of the other series of the Fund differs from Series A largely due to the varying levels of expenses charged to each series.

For the six-month period ending June 30, 2014, the S&P/TSX Composite returned 0.91% and the Fund's blended benchmark returned 1.53%. The Fund's relative performance during the period was primarily attributable to the performance of the fund on fund holdings in the ROI Canadian Top 20 Picks (that was terminated prior to the end of the reporting period), the Fiera Canadian Core Equity Fund, the Fiera Capital Equity Growth Fund and the ROI Canadian Top 30 Small Cap Picks Fund.

Equities were volatile during the period as global economic growth continued to be sluggish which negatively impacted the economically sensitive sectors of the economy and the stock market. This was further compounded by the significant decline in oil prices. The price of oil has dropped with the oversupply of oil around the world and the Canadian stock market is heavily weighted in energy, materials and industrials relative to other developed economies. The Canadian stock market

did not perform the best within the world.

Although the economy in the United States has improved and investors expect interest rates to go up in the United States in the near future the Canadian economy has slowed with the drop in Oil prices. The Canadian Central Bank has dropped interest rates twice in 2015 and the Canadian dollar has dropped in value by a large margin relative to the US dollar. Although, the Canadian stock market did reach new all-time highs in 2015 the gains were short lived and the market has subsequently declined. This volatility was reflected in the Fund's underlying fund on fund holdings which typically invest in Canadian stocks.

#### *Investment Activity*

Within the ROI Canadian Top 20 Picks Fund, select changes were made to the Fund based on the sub-advisers bottom-up, fundamental approach. In June, the Fund liquidated the investment in the ROI Canadian Top 20 Picks Fund and initiated an investment in the Fiera Canadian Core Equity Fund. The Fiera Canadian Core Equity Fund is a similar Fund to the ROI Canadian Top 20 Picks Fund but typically holds a larger number of securities and is more diversified while investing in large cap Canadian equities. The top holdings of the Fiera Canadian Core Equity Fund include Royal Bank of Canada, Toronto Dominion Bank, Manulife Financial Corp, Brookfield Asset Management Alimentation Couche-Tard, Bank of Nova Scotia and Gildan Activewear.

Within the ROI Canadian Top 30 Small Cap Picks Fund the sub-advisor added securities within the Fund including Boralex, Interrent REIT, Torc Oil & Gas, Spartan Energy Corp and NYX Gaming Group. Within the ROI Canadian Top 30 Small Cap



Picks Fund the sub-advisor sold certain securities within the Fund including CCL Inds, Firstservice, Aecon Group, Sunopta, Nuvista Energy, RMP Energy and DHX Media.

During the period the Fund reduced its exposure to private placements and to Canadian small caps while increasing its exposure to more liquid investments. The remaining private investments were exited and the Fund does not intend to take any additional positions in private investments.

The portfolio turnover rate was a moderate 4.79% for the period.

### *Unitholder Activity*

During the period ended June 30, 2015, the Fund experienced redemptions of \$3,365,332 and \$623,180 of new purchases. Redemptions remained high during the period. If redemptions continue to increase and the assets under management (“AUM”) of the Fund become too small (in terms of AUM) the Manager will consider other alternatives, including returning money to investors, and terminating the Fund.

### **Recent Developments**

#### *Accounting standards issued but not yet adopted*

IFRS 9 – The final version of IFRS 9, Financial Instruments, was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking ‘expected loss’ impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all

financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity’s own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Funds are in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

IFRS 15, Revenue from contracts with customers, is a new standard effective for years beginning on or after January 1, 2017, which will supersede IAS 18, Revenue, and related interpretations. The Manager is in the process of assessing the impact of IFRS 15 to the Fund.

### **Related Party Transactions**

The Manager is responsible for the day-to-day operations of the Fund. The Manager provides the Fund or ensures that the Fund is provided with all services (accounting, legal, custody, transfer agent) required to function properly. In consideration of the management services, the Fund pays management fees to the Manager based on the average net assets of each series of the Fund.

### **Caution Regarding Forward-looking Statements**

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-



looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates,” “intends,” “plans,” “believes,” “estimates” or negative versions thereof. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors. Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these

digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in government regulations, unexpected judicial or regulatory proceedings and catastrophic events. It should be noted that the above-mentioned list of important factors is not exhaustive. You are encouraged to consider these and other factors carefully before making any investment decisions and you are urged to avoid placing undue reliance on forward-looking statements. Furthermore, the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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 period. The information included in the below tables has been derived from the Fund's interim and audited annual financial statements.

## Series A Net assets attributable to

<b>holders of redeemable units per unit<sup>1,2,3</sup></b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Net assets attributable to holders of redeemable units, Beginning of period	12.00	11.25	9.83	9.53	10.32
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>					
Total Revenue	0.08	0.12	0.21	0.22	0.23
Total Expenses	(0.24)	(0.44)	(0.35)	(0.33)	(0.32)
Realized gains for the period	0.65	1.90	0.12	0.08	0.03
Unrealized gains (losses) for the period	(0.21)	(0.69)	1.41	0.37	(0.70)
<b>Total Increase (Decrease) in net assets attributable to holders of redeemable units<sup>2</sup></b>	<b>0.28</b>	<b>0.88</b>	<b>1.39</b>	<b>0.34</b>	<b>(0.75)</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
<b>Total Annual Distributions<sup>2</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets attributable to holders of redeemable units at December 31 (2015 June 30)</b>	<b>12.24</b>	<b>12.00</b>	<b>11.25</b>	<b>9.83</b>	<b>9.53</b>
<b>Ratios and Supplemental Data</b>					
Total Net assets attributable to holders of redeemable units (000's) <sup>3</sup>	10,227	11,798	15,338	19,808	27,486
Number of units outstanding <sup>3</sup>	835,676	983,266	1,362,732	2,014,717	2,885,479
Management expense ratio of top fund <sup>4</sup>	3.84%	3.63%	3.40%	3.39%	3.05%
Management expense ratio including underlying funds	3.98%	3.82%	3.75%	3.39%	3.15%
Management expense ratio before waivers or absorptions	3.98%	3.82%	3.75%	3.39%	3.15%
Net assets attributable to holders of redeemable units per unit	12.24	12.00	11.25	9.83	9.53



## Series 5 Net assets attributable to

### holders of redeemable units per unit<sup>1,2,3</sup>

	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units, Beginning of period	18.79	18.61	17.26	17.78	20.37
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>					
Total Revenue	0.12	0.21	0.37	0.38	0.44
Total Expenses	(0.36)	(0.69)	(0.60)	(0.59)	(0.61)
Realized gains for the period	1.01	3.30	0.20	0.14	0.09
Unrealized gains (losses) for the period	(0.36)	(1.53)	2.41	0.63	(1.31)
<b>Total Increase (Decrease) in net assets attributable to holders of redeemable units<sup>2</sup></b>	<b>0.41</b>	1.29	2.38	0.56	(1.39)
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.54)	(1.08)	(1.07)	(1.06)	(1.07)
<b>Total Annual Distributions<sup>2</sup></b>	<b>(0.54)</b>	(1.08)	(1.07)	(1.06)	(1.07)
<b>Net assets attributable to holders of redeemable units at December 31 (2015 June 30)</b>	<b>18.63</b>	18.79	18.61	17.26	17.78
<b>Ratios and Supplemental Data</b>					
Total Net assets attributable to holders of redeemable units (000's) <sup>3</sup>	1,916	2,132	2,215	2,585	3,791
Number of units outstanding <sup>3</sup>	102,820	113,451	119,376	149,703	213,185
Management expense ratio of top fund <sup>4</sup>	3.77%	3.54%	3.35%	3.37%	3.05%
Management expense ratio including underlying funds	3.91%	3.73%	3.70%	3.37%	3.15%
Management expense ratio before waivers or absorptions	3.91%	3.73%	3.70%	3.37%	3.15%
Net assets attributable to holders of redeemable units per unit	18.63	18.79	18.61	17.26	17.78



## Series 7 Net assets attributable to

### holders of redeemable units per unit<sup>1,2,3</sup>

	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units, Beginning of period	13.66	14.13	13.69	14.67	17.35
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>					
Total Revenue	0.08	0.15	0.30	0.33	0.37
Total Expenses	(0.25)	(0.51)	(0.46)	(0.48)	(0.51)
Realized gains for the period	0.71	2.31	0.15	0.11	0.05
Unrealized gains (losses) for the period	(0.22)	(0.91)	1.87	0.49	(1.16)
<b>Total Increase (Decrease) in net assets attributable to holders of redeemable units<sup>2</sup></b>	<b>0.31</b>	1.04	1.86	0.45	(1.25)
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	(0.71)	(1.43)	(1.43)	(1.43)	(1.43)
<b>Total Annual Distributions<sup>2</sup></b>	<b>(0.71)</b>	(1.43)	(1.43)	(1.43)	(1.43)
<b>Net assets attributable to holders of redeemable units at December 31 (2015 June 30)</b>	<b>13.23</b>	13.66	14.13	13.69	14.67
<b>Ratios and Supplemental Data</b>					
Total Net assets attributable to holders of redeemable units (000's) <sup>3</sup>	4,232	5,051	6,296	7,608	9,907
Number of units outstanding <sup>3</sup>	319,860	369,692	446,746	555,720	675,490
Management expense ratio of top fund <sup>4</sup>	3.72%	3.52%	3.32%	3.34%	3.01%
Management expense ratio including underlying funds	3.86%	3.70%	3.67%	3.34%	3.11%
Management expense ratio before waivers or absorptions	3.86%	3.70%	3.67%	3.34%	3.11%
Net assets attributable to holders of redeemable units per unit	13.23	13.66	14.13	13.69	14.67





## Series F Net assets attributable to

### holders of redeemable units per unit<sup>1,2,3</sup>

	2015	2014	2013	2012	2011
Net assets attributable to holders of redeemable units, Beginning of period	13.09	12.12	10.45	9.99	10.68
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>					
Total Revenue	0.07	0.13	0.25	0.19	0.23
Total Expenses	(0.18)	(0.30)	(0.23)	(0.21)	(0.19)
Realized gains for the period	0.42	2.06	0.10	0.06	–
Unrealized gains (losses) for the period	0.32	(0.73)	1.68	0.44	(0.62)
<b>Total Increase (Decrease) in net assets attributable to holders of redeemable units<sup>2</sup></b>	<b>0.63</b>	1.16	1.80	0.48	(0.56)
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total Annual Distributions<sup>2</sup></b>	–	–	–	–	–
<b>Net assets attributable to holders of redeemable units at December 31 (2015 June 30)</b>	<b>13.44</b>	13.09	12.12	10.45	9.99
<b>Ratios and Supplemental Data</b>					
Total Net assets attributable to holders of redeemable units (000's) <sup>3</sup>	32	66	77	102	282
Number of units outstanding <sup>3</sup>	2,416	5,030	6,326	9,763	28,195
Management expense ratio of top fund <sup>4</sup>	2.63%	2.33%	2.06%	2.07%	1.73%
Management expense ratio including underlying funds	2.78%	2.52%	2.41%	2.07%	1.83%
Management expense ratio before waivers or absorptions	2.78%	2.52%	2.41%	2.07%	1.83%
Net assets attributable to holders of redeemable units per unit	13.44	13.09	12.12	10.45	9.99



## Series O Net assets attributable to

<b>holders of redeemable units per unit<sup>1,2,3</sup></b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Net assets attributable to holders of redeemable units, Beginning of period	<b>15.17</b>	13.76	11.59	10.88	11.44
<b>Increase (Decrease) in net assets attributable to holders of redeemable units</b>					
Total Revenue	<b>0.10</b>	0.19	0.14	0.28	0.23
Total Expenses	<b>(0.02)</b>	(0.04)	(0.03)	(0.03)	(0.03)
Realized gains for the period	<b>0.90</b>	3.45	0.13	0.08	0.03
Unrealized gains (losses) for the period	<b>(0.40)</b>	(3.25)	1.15	0.38	(0.74)
<b>Total Increase (Decrease) in net assets attributable to holders of redeemable units<sup>2</sup></b>	<b>0.58</b>	0.35	1.39	0.71	(0.48)
<b>Distributions:</b>					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
<b>Total Annual Distributions<sup>2</sup></b>	–	–	–	–	–
<b>Net assets attributable to holders of redeemable units at December 31 (2015 June 30)</b>	<b>15.75</b>	15.17	13.76	11.59	10.88
<b>Ratios and Supplemental Data</b>					
Total Net assets attributable to holders of redeemable units (000's) <sup>3</sup>	<b>3</b>	3	1	117	111
Number of units outstanding <sup>3</sup>	<b>186</b>	186	82	10,069	10,238
Management expense ratio of top fund <sup>4</sup>	<b>0.21%</b>	0.26%	0.25%	0.25%	0.14%
Management expense ratio including underlying funds	<b>0.35%</b>	0.45%	0.60%	0.25%	0.24%
Management expense ratio before waivers or absorptions	<b>0.96%</b>	1.31%	1.68%	0.25%	0.24%
Net assets attributable to holders of redeemable units per unit	<b>15.75</b>	15.17	13.76	11.59	10.88
<b>Fund Level Ratios</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Portfolio turnover rate <sup>5</sup>	<b>4.79%</b>	8.53%	9.70%	3.45%	83.70%
Trading expense ratio <sup>6</sup>	<b>0.00%</b>	0.00%	0.01%	0.00%	0.000%

1. This information is derived from the Fund's audited annual financial statements. The information for this period and the years ended December 2014 and December 2013 is derived from the Fund's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). The information for prior years is derived from the Fund's annual audited financial statements prepared in accordance with Canadian GAAP. The net assets per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements, where applicable.
2. Distributions per unit 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. This table is not intended to be a reconciliation of beginning to ending net assets per unit. Distributions were paid in cash and either received in cash by the unitholder or reinvested in additional units of the Fund.
3. This information is provided as at December 31 of the year shown, except the most recent, which is for the six-month period ended June 30, 2015.
4. The management expense ratio 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.
5. The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 transaction 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.
6. 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.

Each series of the Fund pays the Manager a management fee. The management fee paid by each series is calculated as a percentage of the net asset value of the series, as of the close of business on each business day.

The management fees are as follows: Series A – 2.15%, 5 – 2.15%, 7 – 2.15% and F – 1.00%, Management fees for Series O are negotiated with and paid by the unitholder directly to the Manager. Fees are payable monthly.

To the extent that management fees did not fully cover the costs of services provided to the Fund, the difference was funded directly by the Manager. The major services paid by the management fees vary by series as dealer commissions and trailing commissions vary by series. The major services paid by the management fees by series expressed as an approximate percentage of the management fees is summarized as follows:

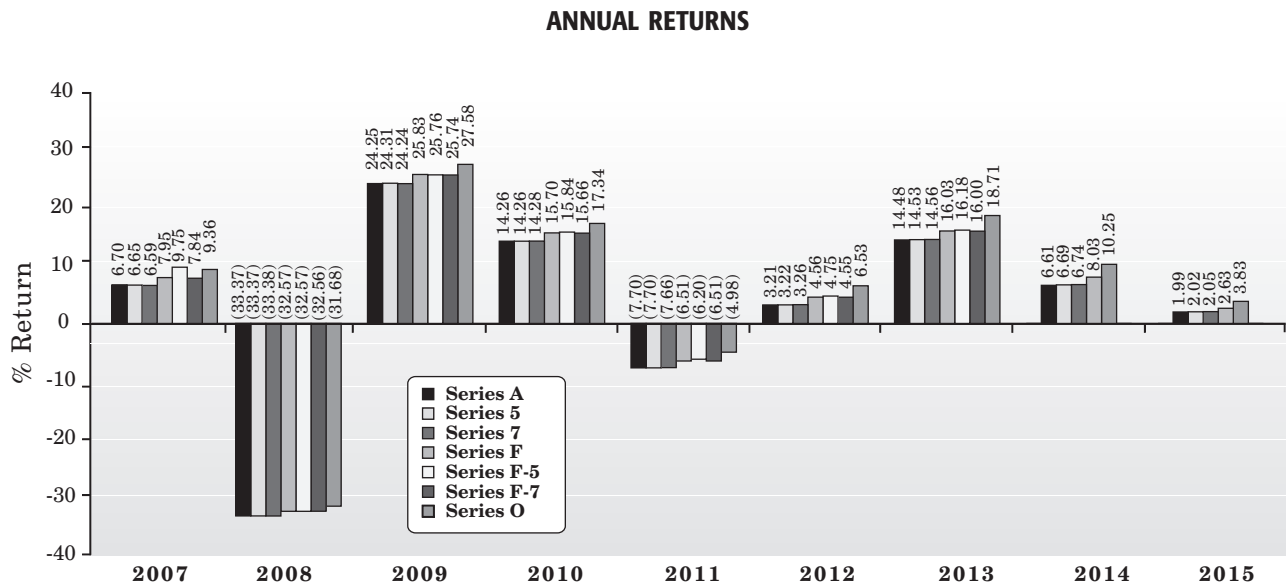
<b>Series</b>	<b>A</b>	<b>5</b>	<b>7</b>	<b>F</b>	<b>O</b>
Dealer Costs	<b>44.78%</b>	41.69%	37.88%	–	–
Other Fees*	<b>55.22%</b>	58.31%	62.12%	100.00%	100.00%

\* Includes general and administration fees, marketing fees, investment advisor fees and profit.

The past performance information shown includes changes in security value; assumes the reinvestment of all distributions; and does not take into account sales, redemptions, distributions or optional charges, or income taxes payable by any investor that would have reduced returns. It is important to note that the past performance of the Fund does not represent how the Fund will perform in the future.

*Year-By-Year Returns*

The following chart demonstrates how the Fund’s return changes from year to year. It indicates the percentage change from the first day to the last day of the financial year for each series that was in existence for the entire year. For 2015, the information presented is for the six-month period ended June 30, 2015.



## Summary of Investment Portfolio as at June 30, 2015



ROI Canadian  
Retirement Fund™

The summary of investment portfolio will change due to ongoing portfolio transactions of the Fund.

<b>Asset Class Weightings</b>	<b>% of Net assets attributable to holders of redeemable units</b>
Equities – Large Cap	2.99%
Equities – Small Mid Cap	34.04%
Bonds	13.14%
Cash and Short-Term Securities	10.55%
Other Assets, Net of Liabilities	39.28%
<b>Total</b>	<b>100.00%</b>

<b>TOP 25 HOLDINGS</b> <b>(Note: Fund only has 5 holdings)</b>	<b>% of Net assets attributable to holders of redeemable units</b>
ROI Canadian Top 30 Small Cap Picks Fund, Series R	32.57%
iShares Canadian Short Term Bond Index ETF	13.14%
CIBC Mellon Trust Demand Deposit, Variable rate	10.55%
Fiera Core Canadian Equity Fund, Class ‘O’	2.99%
Sceptre Equity Growth Fund, Class ‘O’	1.47%
<b>Total holdings as a percentage of net asset attributable to holders of redeemable units</b>	<b>60.72%</b>
<b>TOTAL FUND NET ASSET ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>\$16,409,721</b>

The most recent interim report, annual report or quarterly portfolio disclosure is available at no cost by calling 1 866 764 3863, by writing to us at 43 Front Street East, Suite 301, Toronto, Ontario M5E 1B3 or by visiting our website at [www.roicapital.ca](http://www.roicapital.ca) or SEDAR at [www.sedar.com](http://www.sedar.com).







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