

McElvaine Value Fund *(formerly The McElvaine Investment Trust)*

Management Report of Fund Performance

December 31, 2023

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This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of McElvaine Value Fund (“the Fund”). You can get a copy of the annual financial statements at your request, and at no cost by calling 250-708-8345, by writing us at PO Box 42010 Rpo Oak Bay Victoria BC V8R 6T4 or by visiting our website at www.avaluefund.com and 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 document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intention expressed or implied in the forward-looking statements.

Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons including, but not limited to: market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest, and the risks detailed from time to time in the Fund’s Simplified Prospectus. We caution that the foregoing list of factors is not exhaustive, and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the Fund does not undertake, and specifically disclaims any intention or obligation to update or review any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

McElvaine Investment Management Ltd. (“we”, “us”, “our” or “the Manager”) manages the overall business of the Fund, including the selection of the securities in the Fund’s portfolio and promoting sales of the Fund’s units. Full contact information for the Manger is located at the end of this report.

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Management Discussion of Fund Performance

Investment Objectives and Strategies

The fundamental investment objective of the Fund is to provide long-term capital appreciation by acquiring primarily securities that are trading below their intrinsic value, as determined by Tim McElvaine.

We believe one of the few things we can control is the price we are willing to pay. Therefore, when we are selecting investments, we focus on what we are getting and at what price we are prepared to act. Our intention is to invest only where the difference between the value of the investment and the price we pay gives us a margin of safety.

Our investment approach is centered on four items. We prefer to invest when we have:

- (a) a competitive advantage when making the investment (such as a seller who does not care about the price they are getting);
- (b) observable investment value that exceeds the share price at the time of purchase (no financial spreadsheet gymnastics involved);
- (c) a financial position ideally combined with strategic position that provides staying power; and
- (d) a board of directors and management team which is owner-focused with “skin in the game”.

Our process does not rely on macro forecasting or economic predictions.

The Fund primarily invests in common shares of publicly-traded companies located in Canada, the United States and other foreign jurisdictions. However, the Fund may also invest in debt securities, preferred shares, convertible securities, securities of private companies, options, futures, currency instruments, precious metal certificates or bullion.

Risk

The risks of investing in the Fund remain as discussed in the Fund’s Simplified Prospectus which can be found on the Fund’s website at www.avaluefund.com and SEDAR at www.sedar.com

During the year, there were no material changes to the Fund that affected the overall risk level of the Fund.

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Results of Operations

Investment Activities:

For the 12 months to December 31, 2023, the Series B units rose by 3.0%. During this period, the S&P/TSX Index rose by 11.8%, while the Fundata Canadian Focused Small/Mid Cap Equity Index rose by 8.2%.

We have compared our performance to two indices: the S&P/TMX Total Return Index as we believe this is useful information and the Fundata Canadian Focused Small/Mid Cap Index as our fund is classified as a Small/Mid Cap Equity Fund. Please keep in mind our portfolio is significantly different from these indices due to our limited number of holdings, our cash levels and our investments outside of Canada.

During 2023, we estimate each of the following securities contributed 1% or more to the Fund's performance: Maxim Power Corp, ONEX Corporation, Wintai Holdings Ltd. and PrairieSky Royalties Ltd. Securities we estimated detracted at least 1% from performance included: Glacier Media Inc, Exco Resources Inc and Dynamic Technologies Group Inc.

During the period, our significant investment activities included exiting our positions in Jefferies Financial Group, Dynamic Technologies Group Inc. and Westrock Coffee Holdings warrants. We trimmed our positions in ONEX Corporation, Knight Therapeutics Inc and Bausch + Lomb Corporation. We established holdings in American Coastal Insurance Corporation, Fairfax India Holdings Corp. and Lucero Energy Corp. We added to our position in TH International Ltd. and Warner Bros Discovery Inc.

Other items:

There were no distributions declared during the period.

The Fund's expenses excluding management, performance, and trustee fees consisted primarily of recordkeeping, fund valuation, Investment Review Committee expenses, custodial, legal, audit and other operating expenses. All of these expenses were provided by third parties unrelated to the Manager.

There were no performance fees paid on the Series A or Series B units. The Series F units did pay performance fees during the period.

During 2023, the Fund did not borrow funds nor short any securities.

Recent Developments

A rebound in the shares of technology companies has increased the volatility of financial markets. This volatility to date has not had a significant impact on the Fund.

On July 27, 2021, the Fund changed its name from The McElvaine Investment Trust to McElvaine Value Fund.

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Related Party Transactions

The Manager manages the overall business of the Fund, including the selection of the securities in the Fund's portfolio and promoting the sale of the Fund's units. The Fund pays the Manager a fee for its services as manager. See "Management Fees" below for additional information.

The Manager is also the trustee of the Fund. The Fund pays the Manager a fee for its services as trustee. See "Management Fees" below for additional information. While investors receive units of a trust when they invest in the Fund, the Manager, as trustee, holds title to the property of the Fund, including the cash and portfolio securities, on behalf of the Fund's investors.

The Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. All transactions with the Manager and its officers and directors are carried out at the Fund's net asset value as at the transaction date. As at December 31, 2023, the Manager, its officers and directors hold approximately 4% of the Series B units and approximately 1% of the Series F units of the Fund.

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Financial Highlights

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 past 5 years.

The Fund's Net Assets per Unit ¹

Series A Units ⁴

	2023	2022	2021	2020	2019	2018
Net Assets, beginning of period	\$12.60	\$12.05	\$10.00	-	-	-
Increase (decrease) from operations:						
Total revenue	\$0.15	\$0.20	\$0.09	-	-	-
Total expenses (excluding distributions)	\$(0.45)	\$(0.43)	\$(0.41)	-	-	-
Realized gains (losses) for the period	\$(0.75)	\$0.64	\$2.14	-	-	-
Unrealized gains (losses) for the period	\$0.18	\$(0.31)	\$0.23	-	-	-
Total increase (decrease) from operations ²	\$(0.87)	\$0.10	\$2.05	-	-	-
Distributions:						
From net investment Income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total Annual Distributions ³	-	-	-	-	-	-
Net assets, end of period	\$12.74	\$12.60	\$12.05	-	-	-

Series B Units

	2023	2022	2021	2020	2019	2018
Net Assets, beginning of period	\$8.12	\$7.69	\$5.47	\$5.15	\$5.17	\$6.24
Increase (decrease) from operations:						
Total revenue	\$0.11	\$0.14	\$0.07	\$0.05	\$0.11	\$0.06
Total expenses (excluding distributions)	\$(0.17)	\$(0.19)	\$(0.16)	\$(0.10)	\$(0.09)	\$(0.08)
Realized gains (losses) for the period	\$(0.11)	\$0.67	\$1.67	-	\$0.81	\$(0.19)
Unrealized gains (losses) for the period	\$0.41	\$(0.13)	\$0.75	\$0.34	\$(0.39)	\$(0.85)
Total increase (decrease) from operations ²	\$0.24	\$0.49	\$2.34	\$0.30	\$0.44	\$(1.06)
Distributions:						
From net investment Income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	\$0.01	-
From capital gains	-	-	-	-	\$0.43	-
Return of capital	-	-	-	-	-	-
Total Annual Distributions ³	-	-	-	-	\$0.44	-
Net assets, end of period	\$8.37	\$8.12	\$7.69	\$5.47	\$5.15	\$5.17

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Series F Units ⁴

	2023	2022	2021	2020	2019	2018
Net Assets, beginning of period	\$15.20	\$14.35	\$10.67	\$10.00	-	-
Increase (decrease) from operations:						
Total revenue	\$0.19	\$0.26	\$0.14	\$0.03	-	-
Total expenses (excluding distributions)	\$(0.28)	\$(0.31)	\$(0.88)	\$(0.07)	-	-
Realized gains (losses) for the period	\$(0.40)	\$1.06	\$3.30	\$(0.12)	-	-
Unrealized gains (losses) for the period	\$0.78	\$(0.26)	\$1.05	\$1.90	-	-
Total increase (decrease) from operations ²	\$0.29	\$0.75	\$3.61	\$1.75	-	-
Distributions:						
From net investment Income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total Annual Distributions ³	-	-	-	-	-	-
Net assets, end of period	\$15.67	\$15.20	\$14.35	\$10.67	-	-

¹ This information is derived from the Fund's audited annual financial statements.

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 reinvested in additional units of the Fund.

⁴ No Series A units were outstanding prior to April 1, 2021. No Series F sub-series units were outstanding prior to January 1, 2020.

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Ratios and Supplemental Data – Series A ⁵

	2023	2022	2021	2020	2019	2018
Total net asset value (000's) ¹	\$148	\$27	\$12	-	-	-
Number of units outstanding	11,640	2,163	1,000	-	-	-
Management expense ratio ²	3.72%	3.06%	3.30%	-	-	-
Management expense ratio before waivers or absorptions	3.72%	3.06%	5.17%	-	-	-
Trading expense ratio ³	0.21%	0.20%	0.34%	-	-	-
Portfolio turnover rate ⁴	35.7%	39.2%	27.0%	-	-	-
Net asset value per unit	\$12.74	\$12.60	\$12.05	-	-	-

Series B

	2023	2022	2021	2020	2019	2018
Total net asset value (000's) ¹	\$15,529	\$15,037	\$20,598	\$27,374	\$26,816	\$26,415
Number of units outstanding ¹	1,856,181	1,851,799	2,677,547	5,002,885	4,794,775	5,112,401
Management expense ratio ²	2.16%	2.08%	1.91%	2.08%	1.45%	1.41%
Management expense ratio before waivers or absorptions	2.16%	2.08%	1.91%	2.08%	1.45%	1.41%
Trading expense ratio ³	0.21%	0.20%	0.34%	0.35%	0.20%	0.16%
Portfolio turnover rate ⁴	35.7%	39.2%	27.0%	59.30%	65.07%	25.99%
Net asset value per unit	\$8.37	\$8.12	\$7.69	\$5.47	\$5.15	\$5.17

Series F ⁵

	2023	2022	2021	2020	2019	2018
Total net asset value (000's) ¹	\$5,102	\$2,915	\$2,292	\$1,341	-	-
Number of units outstanding	325,682	191,733	159,671	125,676	-	-
Management expense ratio ²	2.00%	1.78%	6.35%	1.71%	-	-
Management expense ratio before waivers or absorptions	2.00%	1.78%	7.73%	1.71%	-	-
Trading expense ratio ³	0.21%	0.20%	0.34%	0.35%	-	-
Portfolio turnover rate ⁴	35.7%	39.2%	27.0%	59.30%	-	-
Net asset value per unit	\$15.67	\$15.20	\$14.35	\$10.67	-	-

¹ This information is provided as at the end of the fiscal period shown.

² 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 monthly average net asset value during the period.

³ The trading expense ratio represents total commissions and other portfolio transactions costs expressed as an annualized percentage of monthly average net asset value during the period.

⁴ The Fund's portfolio turnover rate indicated how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a

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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 a fund.

⁵ *No Series A units were outstanding prior to April 1, 2021. No Series F sub-series units were outstanding prior to January 1, 2020.*

Management Fees

As Manager of the Fund, McElvaine Investment Management Ltd. is paid a management fee calculated monthly based on the market value of the Fund's net assets. The management fee for the various series is as follows: Series A – 1.6% per annum, Series B - 1.0% per annum and Series F - 0.60% per annum. The Manager pays a trailer fee to dealers related to the Series A units of 1.0% per annum. The Manager does not pay a trailer fee for the Series B or the Series F units.

In addition, the Manager is entitled to a performance fee based on the return of the units. There were no performance fees paid on Series A or Series B units. The Series F units did pay performance fees during the period.

McElvaine Investment Management Ltd. is also Trustee of the Fund and was paid \$3,600 for its services as Trustee.

Further information on the Fund's fee structure can be found in Simplified Prospectus.

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Past Performance

General

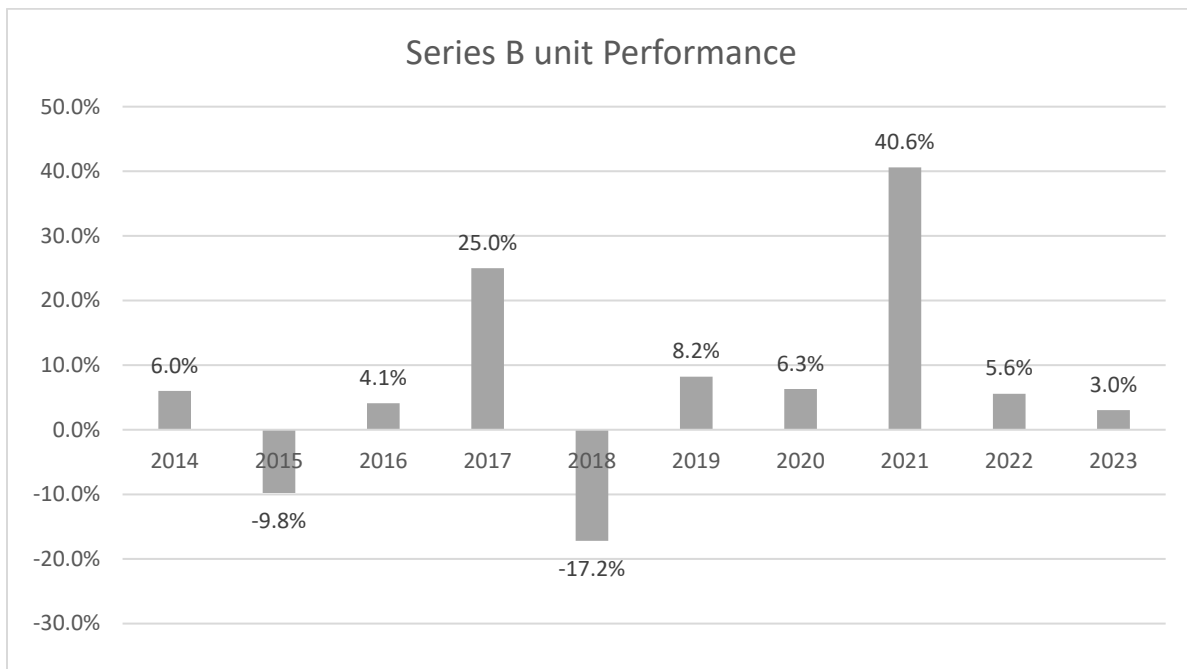
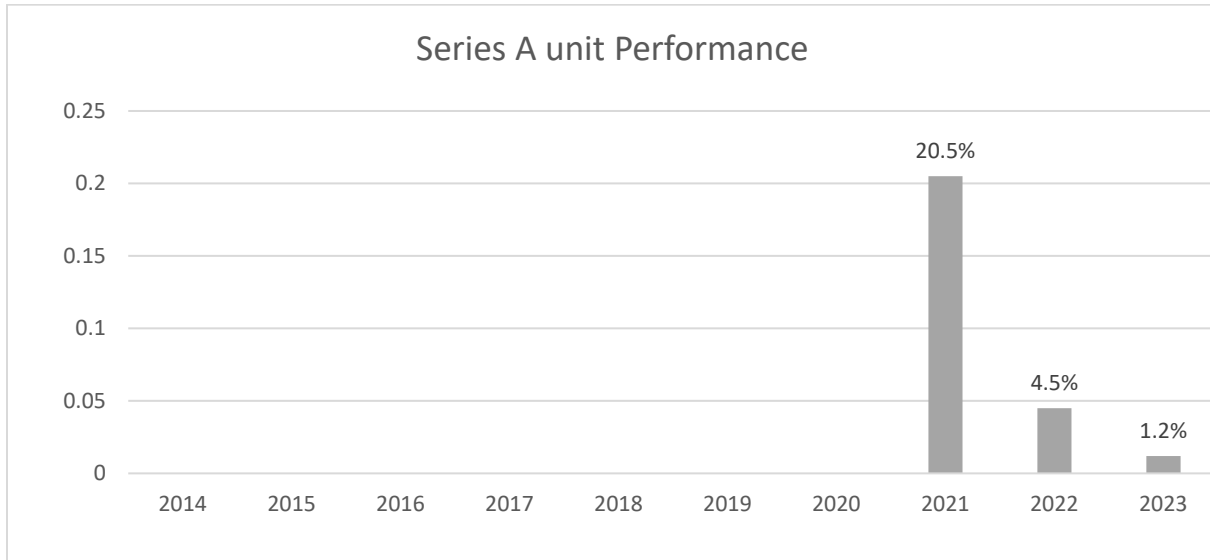
The Fund's past performance information is presented in the following chart and table. It assumes all distributions made by the Fund in the periods presented were reinvested in additional securities of the relevant series of the Fund. The chart and table do not take into account any sales, redemption, distribution, other optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

The performance shown below includes results prior to December 23, 2019 when the Fund was not a reporting issuer. Had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer during such periods, the expenses of the Series B units of the Fund would likely have been higher. Moreover, prior to becoming a reporting issuer the Fund was not subject to and did not fully comply with the investment restrictions and practices set out in National Instrument 81-102 *Investment Funds* ("NI 81-102"). The Fund's non-compliance with NI 81-102 may have impacted the Fund's performance for the period prior to the Fund becoming a reporting issuer. The financial statements for the period when the Fund was not a reporting issuer, are available on the Manager's website at www.avaluefund.com or upon request.

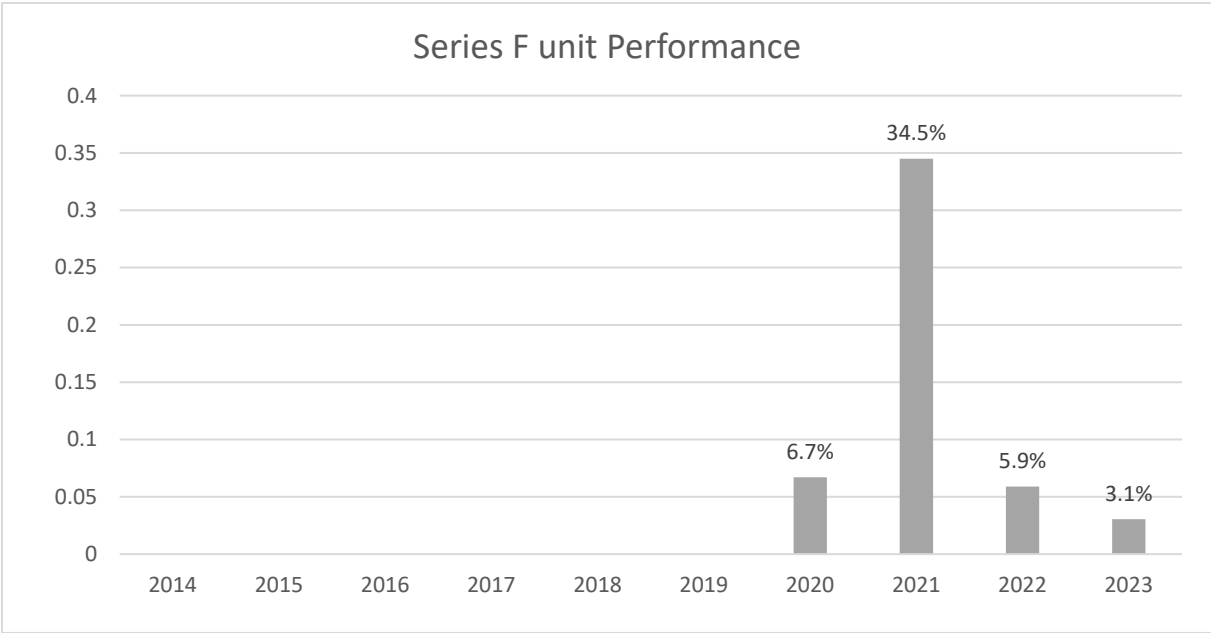
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Period-by-Period Returns

The following bar chart shows the performance for the units of the Fund for each of the periods shown. The chart shows, in percentage terms, how an investment would have increased or decreased for each of the periods, and how the performance of the Fund varied from period to period.



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Performance for the Series A units commenced on April 1, 2021, Series D units on February 3, 2020 and Series F on January 1 2020.

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Annual Compound Returns

The following table shows the annual compound total return for units of the Fund for the periods ended December 31 2021 and assumes the reinvestment of all distributions. Also shown for the same periods are the respective historical annual compound total returns of the S&P/TSX Total Return Index and the Fundata Canadian Focused Small/Mid-cap Equity Index. The S&P/TSX Index is the headline index for the Canadian equity market while the Fundata Index indicates the performance of smaller Canadian companies. BMO Canadian Small Cap Index was formerly used to indicate the performance of smaller Canadian companies but index information is no longer readily available. The Indices are calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

We have included the S&P/TMX Total Return Index as we believe investors consider a broad Canadian Index Fund as an alternative to investing with us. We have included the Fundata Canadian Small/Mid Cap Equity Index as our fund is classified as a Small/Mid Cap Equity Fund. Our portfolio is significantly different from these indices due to our limited number of holdings, our cash levels and our investments outside of Canada.

Percentage Return ¹	One Year	Three Years	Five Years	Ten Years	Since Inception ²
McElvaine Value Fund - Series A	1.2%	-	-	-	9.2%
McElvaine Value Fund - Series B	3.03%	15.2%	12.0%	6.1%	-
McElvaine Value Fund - Series F	3.1%	13.7%	-	-	11.9%
Fundata Focused Canadian Small/Mid cap Index	8.2%	4.8%	8.8%	5.8%	-
S&P/TSX Total Return Index	11.8%	9.6%	11.3%	7.6%	-

¹ The percentage return differs for each series because the management fee rate, performance fee rate and expenses differ for each series

² The return since inception for each series will differ when the inception date differs and is only provided when a series has been active for a period of less than 10 years. The return of the Fundata Canadian Focused Small/Mid cap Equity Index since inception for each applicable series is as follows: Series A: 2.1%, Series F: 6.7%. The return of the S&P/TSX Total Return Index since inception for each applicable series is as follows: Series A: 7.4% Series F: 8.6%.

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Summary of Investment Portfolio

The following table provides a summary of the Fund's portfolio as at December 31, 2023.

Sector Allocation	% of Net Asset Value
Financials	27.9%
Energy	18.1%
Utilities	18.2%
Healthcare	7.1%
Communication Services	7.1%
Industrials	4.3%
Consumer Cyclical	3.6%
Real Estate	1.2%
Cash and near cash items	12.5%
Net Asset Value	100.0%

Total Holdings	% of Net Asset Value
Maxim Power Corp.	18.2%
Wintaai Holdings Ltd.	14.0%
PrairieSky Royalty Ltd	9.4%
ONEX Corporation	6.6%
Exco Resources, Inc	6.4%
Bausch + Lomb Corporation	6.0%
American Coastal Insurance Corporation	5.1%
Warner Bros. Discovery Inc.	4.9%
CK Hutchinson Holdings Ltd.	4.3%
Lucero Energy Corp	2.3%
TH International Ltd	2.2%
Fairfax India Holdings Corp.	2.2%
Glacier Media Inc	2.2%
Unisync Group Ltd	1.4%
Melcor Developments Ltd.	1.2%
Knight Therapeutics Inc	1.1%
Sagikor Financial Company Ltd Warrants	0.0%
Total Portfolio	87.5%
Cash and near cash items	12.5%
Net Asset Value	100.0%

The Fund's investment portfolio may change due to ongoing portfolio transactions of the Fund. When required, the quarterly update will be available on our website at www.avaluefund.com.

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