

Financial Statements of

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Six months ended June 30, 2021

Manager's comments on unaudited interim financial statements

These interim financial statements of McElvaine Value Fund (the "Trust"), formerly The McElvaine Investment Trust, for the six months ended June 30, 2021 have been prepared by the Manager. These interim financial statements have not been reviewed or audited by KPMG LLP, the independent external auditors of the Trust.

MCELVAINE VALUE FUND

(formerly The McElvaine Investment Trust)

Statements of Financial Position

As at June 30, 2021 (unaudited) and December 31, 2020

	Note	2021	2020
Assets			
Cash	\$	6,656,102	\$ 3,288,100
Interest and dividends receivable		10,563	7,781
Investments		31,120,169	26,962,180
Listed warrants		50,000	42,000
	\$	37,836,834	\$ 30,300,061
Liabilities			
Accrued liabilities		154,405	57,177
	\$	154,405	\$ 57,177
Net assets attributable to holders of redeemable units	\$	37,682,429	\$ 30,242,884
Represented by:			
Series A	\$	11,158	\$ -
Series B		33,544,130	27,374,012
Series D		161,026	51,272
Series F		2,104,062	1,341,033
Series G		1,862,053	1,476,567
	\$	37,682,429	\$ 30,242,884
Net assets attributable to holders of redeemable units per units:			
Series A	\$	11.16	\$ -
Series B		7.01	5.47
Series D		13.64	11.00
Series F		13.23	10.67
Series G		14.57	11.55

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Investment Manager,
McElvaine Investment Management Ltd.

Tim McElvaine

Tim McElvaine, Director

MCELVAIN VALUE FUND

(formerly The McElvaine Investment Trust)

Statements of Comprehensive Income

For the six months ended June 30, 2021 and June 30, 2020 (unaudited)

	Note	2021	2020
Revenue:			
Dividend income		\$ 189,913	\$ 152,897
Interest income		-	8,793
Net foreign currency (loss) gain		(24,930)	71,115
Changes in fair value of investments and derivatives:			
Net realized gain		2,405,274	412,199
Net change in unrealized appreciation (depreciation)		6,151,800	(4,922,565)
Total Revenue		8,722,057	(4,277,561)
Expenses:			
Management fees (including HST/GST)	4	\$ 169,763	\$ 123,797
Performance fees	4	109,164	-
Commissions and other portfolio transaction costs		43,380	52,695
Custodial, unitholder recordkeeping and valuations		23,963	29,274
Investment committee fees and expenses		23,912	20,132
Regulatory fees		22,595	19,211
Audit and tax fees		21,000	11,000
Fundserv fees		16,363	15,735
Legal fees		12,760	15,219
Withholding taxes	5	7,443	6,828
Other operating expenses		5,342	3,845
Trustee fees		1,800	1,800
Total operating expenses		457,485	299,536
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		\$ 8,264,572	\$ (4,577,097)

The accompanying notes are an integral part of these financial statements.

MCELVAINE VALUE FUND

(formerly The McElvaine Investment Trust)

Statement of Comprehensive Income (continued)

For the six months ended June 30, 2021 and June 30, 2020 (unaudited)

	Note	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units, from operations:			
Series A	\$	1,158	\$ -
Series B		7,489,271	(4,171,934)
Series C		-	(1,842)
Series D		30,461	(811)
Series F		358,196	(191,217)
Series G		385,486	(211,293)
		8,264,572	(4,577,097)
Increase (decrease) in net assets attributable to holders of redeemable units per unit before distributions:			
Series A	\$	1.16	\$ -
Series B		1.54	(0.81)
Series C		-	(0.58)
Series D		2.67	(1.73)
Series F		2.59	(1.10)
Series G		3.02	(1.64)

The accompanying notes are an integral part of these financial statements.

MCELVAINE VALUE FUND

(formerly The McElvaine Investment Trust)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2021 and June 30, 2020 (unaudited)

							2021
Series	Net assets attributable to holders of redeemable units, beginning of period	Increase in net assets attributable to holders of redeemable units	Unit Transactions			Net assets attributable to holders of redeemable units, end of period	
			Proceeds from redeemable units issued	Redemption of redeemable units	Transfer in/ Transfer out		
Series A	\$ -	\$ 1,158	\$ 10,000	\$ -	\$ -	11,158	
Series B	27,374,012	7,489,271	55,927	(1,375,080)	-	33,544,130	
Series D	51,272	30,461	81,891	(2,598)	-	161,026	
Series F	1,341,033	358,196	430,116	(25,283)	-	2,104,062	
Series G	1,476,567	385,486	-	-	-	1,862,053	
Total	\$ 30,242,884	\$ 8,264,572	\$ 577,934	\$ (1,402,961)	\$ -	37,682,429	

The accompanying notes are an integral part of these financial statements.

MCELVAIN VALUE FUND

(formerly The McElvaine Investment Trust)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units (continued)

For the six months ended June 30, 2021 and June 30, 2020 (unaudited)

							2020
Series	Net assets attributable to holders of redeemable units, beginning of period	Increase (decrease) in net assets attributable to holders of redeemable units	Unit Transactions			Net assets attributable to holders of redeemable units, end of period	
			Proceeds from redeemable units issued	Redemption of redeemable units	Transfer In/ Transfer Out		
Series B	\$ 26,815,790	\$ (4,171,934)	\$ 8,550	\$ (389,149)	2,149	\$ 22,265,406	
Series C	18,588	(1,842)	-	(14,597)	(2,149)	-	
Series D - February 2020	-	(766)	6,000	-	-	5,234	
Series D - March 2020	-	(45)	1,000	(955)	-	-	
Series D - June 2020	-	-	3,000	-	-	3,000	
Series F - January 2020	-	(146,058)	935,000	(11,563)	-	777,379	
Series F - February 2020	-	(45,252)	306,400	-	47,265	308,413	
Series F - April 2020	-	93	530	-	-	623	
Series G	1,448,336	(211,293)	-	(24,177)	(47,265)	1,165,601	
Total	\$ 28,282,714	\$ (4,577,097)	\$ 1,260,480	\$ (440,441)	-	\$ 24,525,656	

The accompanying notes are an integral part of these financial statements.

MCELVAIN VALUE FUND

(formerly The McElvaine Investment Trust)

Statements of Cash Flows

For the six months ended June 30, 2021 and June 30, 2020 (unaudited)

	Note	2021	2020
Cash (used in) provided by:			
Operating activities:			
Increase (decrease) in net assets attributable to holders of redeemable units from operations		\$ 8,264,572	\$ (4,577,097)
Adjustments for:			
Interest income		-	(8,793)
Dividend income		(189,913)	(152,897)
Withholding taxes		7,443	6,828
Net foreign currency loss (gain)		24,930	(71,115)
Net realized gain on investments and derivatives		(2,405,274)	(412,199)
Net change in unrealized (appreciation) depreciation on investments and derivatives		(6,151,800)	4,922,565
Purchase of investments		(4,262,481)	(9,365,172)
Proceeds from sale of investments		8,653,566	9,141,595
Net decrease in prepaid expenses		-	5,244
Net increase in accrued liabilities		97,228	18,524
		4,038,271	(492,517)
Interest received		-	8,793
Dividends received		179,688	150,173
		4,217,959	(333,551)
Financing activities:			
Proceeds from issuance of redeemable units		577,934	1,260,480
Payment on redemption of redeemable units		(1,402,961)	(440,441)
		(825,027)	820,039
Net increase in cash		3,392,932	486,488
Cash, beginning of the period		3,288,100	4,362,139
Effect of exchange rate fluctuations on cash		(24,930)	71,115
Cash, end of the period		\$ 6,656,102	\$ 4,919,742

The accompanying notes are an integral part of these financial statements.

MCELVAIN VALUE FUND

(formerly The McElvaine Investment Trust)

Schedule of Investments

June 30, 2021 (unaudited)

	Number of shares / par value	Cost	Fair Value
Canadian - Equities:			
Deans Knight Income Corp.	44,800	\$ 4,928	\$ -
Dynamic Technologies Group Inc.	2,500,000	927,891	862,500
Glacier Media Inc.	3,700,000	5,293,509	1,646,500
Jaguar Mining Inc.	150,000	209,105	802,500
Knight Therapeutics Inc.	325,000	2,128,875	1,706,250
Maxim Power Corp.	1,250,000	3,209,270	3,625,000
PrairieSky Royalty Ltd.	100,000	797,229	1,501,000
The Caldwell Partners International Inc.	500,000	418,431	790,000
Tourmaline Oil Corp.	115,000	1,525,470	4,074,450
Unisync Corp.	250,000	633,005	780,000
Whitecap Resources Inc.	250,000	529,798	1,540,000
Wintaai Holdings Ltd.	100,000	1,845,000	2,973,000
Wow Unlimited Media Inc.	1,550,000	2,581,220	1,472,500
Total Canadian equities		20,103,731	21,773,700
United States - Equities			
AdvisorShares Ranger Equity Bear ETF	30,000	960,667	854,487
EXCO Resources Inc.	212,835	2,625,391	1,595,999
Jefferies Financial Group	100,000	2,204,707	4,238,969
The Howard Hughes Corp.	10,000	675,624	1,207,982
Total United States equities		6,466,389	7,897,437
Foreign - Equities			
CK Hutchinson Holdings Ltd.	150,000	1,212,924	1,449,032
Total Foreign equities		1,212,924	1,449,032
Total Investment Portfolio		\$ 27,783,044	\$ 31,120,169
Canadian - Warrants			
Sagikor Financial Company Ltd., Warrants	200,000	95,251	50,000
Total Canadian warrants	200,000	95,251	50,000
Total Investments and Derivatives		\$ 27,878,295	\$ 31,170,169
Other Net Assets			6,512,260
Total Net Assets			\$ 37,682,429

The accompanying notes are an integral part of these financial statements.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

1. Reporting entity:

The reporting entity, formerly McElvaine Investment Trust, name changed to McElvaine Value Fund (the "Trust") on July 27, 2021. The Trust is a unit trust governed by the laws of British Columbia, which was formed pursuant to a Declaration of Trust dated September 27, 1996, as amended May 15, 2002, January 1, 2008, April 23, 2012, June 30, 2019 (collectively, the "Trust Agreement"), between McElvaine Investment Management Ltd. and the Trust. McElvaine Investment Management Ltd. acts as trustee of the Trust pursuant to the Trust Agreement. The Trust is also managed by McElvaine Investment Management Ltd. (the "Manager"), which also provides investment counseling services. The address of the Trust's registered office is at Suite 301, 1321 Blanshard Street, Victoria, British Columbia.

The Trust is an open-ended investment Trust with a fundamental investment objective to achieve long-term capital appreciation by acquiring primarily securities that are trading below their intrinsic value. The Manager intends to invest the Trust's assets primarily in common shares of publicly-traded companies. However, the Manager may make any type of investment that is believed to be consistent with the Trust's investment objective. There will be periods of time where a substantial portion of the Trust's assets will be held in the form of cash, short-term money market instruments or other fixed income instruments.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB"). The financial statements were authorized for issue by the Manager on August 23, 2021.

(b) Basis of measurement:

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

(d) Use of estimates and judgment:

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year is included in note 9 and relates to the determination of fair value of investments with unobservable inputs.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments:

(i) Recognition and measurement:

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Trust becomes a party to the contractual provisions of the instrument. The Trust derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Trust has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Trust may irrevocably elect to measure financial assets that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(i) Recognition and measurement (continued):

Financial assets are not reclassified subsequent to their initial recognition, unless the Trust changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Trust has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Trust may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Fair value through profit and loss:

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Trust's derivative financial assets and derivative financial liabilities and investments in securities are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Trust uses the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Trust's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of the Manager, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(iii) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Trust classifies cash, interest and dividends receivable and accrued liabilities as amortized cost.

(b) Redeemable units:

The Trust classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The redeemable units, which are classified as financial liabilities at FVTPL and measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Trust's valuation policies at each redemption date. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of the Manager.

(c) Net assets attributable to holders of redeemable units per unit:

The net assets of a particular series of units is computed by calculating the value of that series' proportionate share of the assets and liabilities of the Trust common to all series less the liabilities of the Trust attributable only to that series. Expenses directly attributable to a series are charged directly to that series. Income, realized and unrealized gains and losses from investment transactions and other expenses are allocated proportionately to each series based upon the relative net asset value of each series.

(d) Income recognition:

Interest income shown on the statement of comprehensive income represents interest received by the Trust accounted for on an accrual basis. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments.

(e) Foreign exchange:

The financial statements of the Trust are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

3. Significant accounting policies (continued):

(f) Income taxes:

The Trust qualifies as a unit trust under the Income Tax Act (Canada). All of the Trust's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Trust. As a result, the Trust does not record income taxes.

4. Related party transactions:

Management fees:

The Trust pays a monthly fee to the Manager for management and administration services rendered, based on the net asset value ("NAV") of the respective series (prior to the calculation of any performance incentive fees, described below, on the last business day of the preceding month). The monthly fee payable to the Manager is based upon the following rates:

Series A	1/12 of 1.60% per annum
Series B	1/12 of 1.00% per annum
Series D	1/12 of 0.85% per annum
Series F	1/12 of 0.60% per annum

There are no management fees charged on Series G units.

Performance fees:

The Trust will pay the Manager an annual performance incentive fee in respect of Series A, Series B, Series D, Series F and Series G units of the Trust, as set forth below.

- (i) Series B - 20% of the amount (if any) by which any increase in the Series B net asset value during the fiscal year (adjusted for contributions and redemptions of Series B units and for any shortfall from previous fiscal years) exceeds a 6% return.
- (ii) Series A, Series D and Series F - 20% of the amount by which the net asset value of each unit of the series (or sub-series within the series) on the last business day of June each year exceeds the applicable High Water Mark plus a 6% hurdle.
- (iii) Series G - 20% per annum of the amount (if any) by which any increase in the Series G net asset value during the fiscal year (after certain adjustments, including any prior period "shortfalls" in net asset value) exceeds 6%.

For the purpose of determining the performance incentive fee in respect of Series A, Series D and Series F units, (i) the calculation of the net asset value per unit of a series will be adjusted to include distributions made on units of the series, (ii) appropriate adjustments will be made to address any subdivisions or consolidations of units, and (iii) the 6% hurdle will be pro-rated for periods of less than 12 months, but will not compound annually.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

4. Related party transactions (continued):

Performance fees (continued):

The performance incentive fee for Series A, Series D and Series F units will accrue on each Purchase Date and will be payable annually within 15 business days of the Performance Valuation Date. The performance incentive fee for Series B units, if any, will be determined on each Purchase Date during a fiscal year for the purposes of calculating the Series B net asset value per unit, but will be paid to the Investment Manager annually within one month of the fiscal year-end of the Trust. The performance incentive fee (if any) is payable in either cash or units, at the discretion of the Investment Manager and is subject to applicable taxes, including GST or HST.

The adjusted shortfall carried forward in respect of Series B of the Trust at June 30, 2021 and December 31, 2020, as applicable, was as follows:

	2021	2020
Series B	\$ 7,404,527	\$ 15,353,644

As at June 30, 2021 there is a high water mark for Series A of \$11.16, Series G of \$12.50, Series D of \$13.64 and Series F of \$13.23 (December 31, 2020 – \$12.50, \$10, and \$10).

For the six month period ended June 30, 2021, the manager has waived the performance fees of \$211 for Series A units, \$1,357 for Series D units and \$15,952 for Series F units. Performance fee owing at June 30, 2021 is \$109,164, from which the amount of waived fees is deducted. The waiving of the accrued performance fee does not increase the high water mark of the units.

Related party shareholdings:

As at June 30, 2021 and December 31, 2020, parties related to the Manager directly or indirectly held the following percentages of the Trust's outstanding units. Subscriptions and redemptions are subject to the same terms and conditions as arms-length investors in the Trust.

	2021	2020
Series B	2%	2%
Series D	-	5%
Series F	3%	4%

As at June 30, 2021 and December 31, 2020, the aggregate investment in all investee companies owned by the Manager's directors and officers did not exceed 1% of the respective investee companies' issued and outstanding shares.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

5. Withholding tax expense:

Certain dividend and interest income received by the Trust is subject to withholding tax imposed in the country of origin. During the period, the average effective withholding tax rate was 15% (2020 – 7%).

6. Redeemable units:

Pursuant to the Trust Agreement, the Trust is authorized to issue an unlimited number of units. Each series of units is described further below:

- Series B units are available from the Manager or through authorized dealers. These units may qualify for redesignation by the unitholder as Series G or I units.
- Series C units are no longer being offered to investors, and they were fully redeemed on March 1st, 2020.
- Series D units are available to investors who have an account with a discount broker or dealer.
- Series F units are available from the Manager or through authorized dealers. These units pay an annual fee to their dealer for investment advice and other services. Effective September 25, 2019 the existing Series F units were redesignated as Series G.
- Series G units are no longer being offered to investors. These units may qualify for redesignation by the unitholder as Series B, or I units.
- Series I units are available only to investors who have entered into an agreement with the Manager and meet certain other conditions and are offered only on a private placement basis. These units may qualify for redesignation by the unitholder as Series B, or G units. There are no Series I units outstanding in 2021 and 2020.

Series A, Series B, Series D and Series F units are the only units offered under the Simplified Prospectus, and Series I units are offered only on a private placement basis. The unit transactions for the Trust during the periods ended June 30 are as follows:

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

6. Redeemable units (continued):

June 30, 2021

	Outstanding redeemable units, beginning of period	Issuance of redeemable units	Redemption of redeemable units	Transfer in/out of units	Redeemable units issued on reinvestment of distributions	Outstanding redeemable units, end of period
Series A	-	1,000	-	-	-	1,000
Series B	5,002,885	8,789	(228,714)	-	-	4,782,960
Series D	4,661	7,360	(217)	-	-	11,804
Series F	125,676	35,525	(2,199)	-	-	159,002
Series G	127,810	-	-	-	-	127,810
	5,261,032	52,674	(231,130)	-	-	5,082,576

June 30, 2020

	Outstanding redeemable units, beginning of period	Issuance of redeemable units	Redemption of redeemable units	Transfer in/out of units	Redeemable units issued on reinvestment of distributions	Outstanding redeemable units, end of period
Series B	4,794,775	1,802	(83,809)	473	413,986	5,127,227
Series C	3,241	-	(3,060)	(460)	279	-
Series D - February 2020	-	600	-	-	-	600
Series D - March 2020	-	100	(100)	-	-	-
Series D - June 2020	-	300	-	-	-	300
Series F - January 2020	-	93,500	(1,500)	-	-	92,000
Series F - February 2020	-	30,640	-	4,727	-	35,367
Series F - April 2020	-	53	-	-	-	53
Series G	123,893	-	(2,247)	(4,534)	10,699	127,811
	4,921,909	126,995	(90,716)	206	424,964	5,383,358

7. Capital management:

The redeemable units issued by the Trust represent the capital of the Trust. The Trust is not subject to any internally or externally imposed restrictions on its capital. The Trust's objectives in managing the redeemable units are to ensure a stable base to maximize returns to all investors, and to manage liquidity risk arising from distributions, if any, and redemptions.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

8. Financial risk management:

(a) Risk management framework:

The Trust may be exposed to a variety of financial risks. The Trust's exposures to financial risks are concentrated in its investment holdings, including derivative instruments. The Schedule of Investments groups securities by asset type and geographic region. The Manager manages the potential effects of these financial risks on the Trust's performance by overseeing and regularly monitoring the Trust's position and market events, and diversifies the investment portfolio within the constraints of the investment guidelines. The fundamental investment objective of the Trust is to provide long-term capital appreciation by acquiring primarily securities that are trading below their intrinsic value.

(b) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Trust, resulting in a financial loss to the Trust. It arises principally from debt securities held, and also from derivative financial assets, cash, and other receivables due to the Trust. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Trust's maximum exposure to credit risk.

Credit risk is managed by the Manager through a careful selection of securities and diversification of the Trust's portfolio. The Manager monitors the Trust's overall market positions on a daily basis and investment positions are maintained within an established range.

In the Manager's opinion, the Trust does not have significant exposure to credit risk.

(c) Liquidity risk:

Liquidity risk is the risk that the Trust will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Trust's policy and the Manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Trust's reputation.

The Trust's Prospectus provides for the monthly subscription and redemption of units and it is therefore exposed to the liquidity risk of meeting unitholder redemptions at each redemption date.

The Trust primarily invests in investments in listed securities that are considered to be readily realizable because they are traded on major global stock exchanges. In addition, the Trust retains sufficient cash and deposit positions to maintain liquidity. The Trust may, from time to time, enter into over-the-counter derivative contracts or invest in unlisted securities, which are not traded in an organized market and may be illiquid.

The Trust's non-derivative liabilities are generally expected to be due and paid within 90 days, with the exception of net assets attributable to holders of redeemable units. Redeemable units are redeemable on demand at the holder's option, however in the Manager's opinion the redeemable units do not represent significant liquidity risk as holders of these instruments typically retain them for the medium to long term.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

8. Financial risk management (continued):

(d) Market risk:

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Trust's income or the fair value of its holdings of financial instruments.

(i) Interest rate risk:

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Trust's primary interest rate risk relates to the investment of cash and deposits. From time to time, the Trust may also hold convertible debt securities of portfolio investees that the Trust will expect to be converted into equity investments. On this basis, the fair value of these investments is derived primarily from the fair value of the underlying equity of the portfolio investee. As at June 30, 2021 and December 31, 2020, the Trust did not hold any debt securities.

(ii) Currency risk:

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Trust will fluctuate due to changes in foreign exchange rates.

The Trust's currency risk is managed on a daily basis by the Manager in accordance with the policies and procedures in place. The Trust may use foreign currency contracts to hedge some foreign currency exposure and engage in the buying and selling of currencies through forward contracts in order to achieve the desired currency exposure. At the reporting date, the carrying value of the Trust's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

June 30, 2021

Currency	Investments	Derivatives	Cash	Net other assets	Total
Canadian Dollars	\$ 21,773,700	\$ 50,000	\$ 6,656,102	\$ (143,841)	\$ 28,335,961
Hong Kong Dollars	1,449,032	-	-	-	1,449,032
United States Dollar	7,897,437	-	-	-	7,897,437
	\$ 31,120,169	\$ 50,000	\$ 6,656,102	\$ (143,841)	\$ 37,682,430

December 31, 2020

Currency	Investments	Derivatives	Cash	Net other assets	Total
Canadian Dollars	\$ 19,581,128	\$ 42,000	\$ 3,275,802	\$ (49,675)	\$ 22,849,256
Hong Kong Dollars	1,332,994	-	-	-	1,332,994
United States Dollar	6,048,058	-	12,295	281	6,060,634
	\$ 26,962,180	\$ 42,000	\$ 3,288,098	\$ (49,394)	\$ 30,242,884

As at June 30, 2021 had the Canadian dollar strengthened or weakened by 5% in relation to all foreign currencies, with all other factors remaining constant, net assets would have increased or decreased by approximately \$467,324 (December 31, 2020 - increased or decreased by approximately \$369,682). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

8. Financial risk management (continued):

(d) Market risk (continued):

(iii) Other price risk:

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

The Manager manages price risk on a daily basis. The Manager moderates this risk through a careful selection of securities and other financial instruments within the parameters of the investment strategy of the Trust. Except for written options and securities sold short, the maximum risk resulting from financial instruments is equivalent to their fair values as set forth in the Trust's statement of financial position. Possible losses from written options and securities sold short can be unlimited.

The geographical breakdown of securities is disclosed in the Trust's Schedule of Investments.

As at June 30, 2021, had the respective benchmark of the Trust increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$3.1 million (December 31, 2020 - \$2.7 million) or 8.3% (December 31, 2020 - 8.9%) of net assets attributable to redeemable units.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

9. Fair value of financial instruments:

(a) Valuation models:

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Trust determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Trust measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs that are unobservable.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The Trust uses widely recognized valuation models for determining the fair value of common and more simple financial instruments, such as forward contracts and options that use only observable market data and require little management judgment and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives such as forward contracts. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Trust uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

9. Fair value of financial instruments (continued):

(a) Valuation models (continued):

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Trust believes that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Trust and the counterparty where appropriate. For measuring derivatives that might change classification from being an asset to a liability or vice versa, such as interest rate swaps, fair values include adjustment for both own credit risk and counterparty credit risk.

Model inputs and values are calibrated against historical data and published forecasts and, when possible, against current or recent observed transactions and broker quotes. This calibration process is inherently subjective and it yields ranges of possible inputs and estimates of fair value, and management judgment is required to select the most appropriate point in the range.

(b) Fair value hierarchy - financial instruments measured at fair value:

The table below analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

All fair value measurements below are recurring.

June 30, 2021

	Level 1	Level 2	Level 3	Total
<i>Financial assets:</i>				
Equities	\$ 28,147,169	\$ -	\$ 2,973,000	\$ 31,120,169
Warrants	50,000	-	-	50,000
Total	\$ 28,197,169	\$ -	\$ 2,973,000	\$ 31,170,169

December 31, 2020

	Level 1	Level 2	Level 3	Total
<i>Financial assets:</i>				
Equities	\$ 24,653,180	\$ -	\$ 2,309,000	\$ 26,962,180
Warrants	42,000	-	-	42,000
Total	\$ 24,695,180	\$ -	\$ 2,309,000	\$ 27,004,180

The carrying amount of the Trust's net assets attributable to redeemable units also approximates fair value as they are measured at the redemption amount and are classified as Level 2 in the fair value hierarchy.

There were no transfers between Level 1 and Level 2 during the period ended June 30, 2021.

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

9. Fair value of financial instruments (continued):

(b) Fair value hierarchy - financial instruments measured at fair value (continued):

June 30, 2021

		Level 3
Balance, beginning of period	\$	2,309,000
Change in unrealized appreciation		664,000
Total investments	\$	2,973,000

December 31, 2020

		Level 3
Balance, beginning of year	\$	1,984,000
Change in unrealized appreciation		325,000
Total investments	\$	2,309,000

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value for the period ended June 30, 2021 and year ended December 31, 2020:

(c) Significant unobservable inputs used in measuring fair value:

The table below sets out information about significant unobservable inputs used at period-end in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

June 30, 2021

Description	Fair value	Valuation technique	Unobservable input	Amount	Sensitivity to change in significant unobservable input
Equities	\$ 2,973,000	Multiple approach	Book value multiple	1.1x	The estimated fair value would increase if book value multiple increased

December 31, 2020

Description	Fair value	Valuation technique	Unobservable input	Amount	Sensitivity to change in significant unobservable input
Equities	\$ 2,309,000	Multiple approach	Book value multiple	1.1x	The estimated fair value would increase if book value multiple increased

McELVAINE VALUE FUND

(Formerly The McElvaine Investment Trust)

Notes to Financial Statements

June 30, 2021 (unaudited)

9. Fair value of financial instruments (continued):

(c) Significant unobservable inputs used in measuring fair value (continued):

The book value multiple represents the Manager's assessment of the investments fair value in excess of its book value. The Manager determines this multiple in reference to trading multiples of similar companies and the multiple used in the issuance of the investment's shares in arm's length transactions.

(d) Effects of unobservable input on fair value measurement:

Although the Trust believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value.

Holding other assumptions constant, increasing the book value multiple by 5% used in the model to value investments would increase the fair value of the investment by \$148,650 (December 31, 2020 - \$115,450) and decreasing the book value multiple by 5% would decrease the fair value of the investment by \$148,650 (December 31, 2020 - \$115,450).

(e) Financial instruments not measured at fair value:

The carrying value of cash, interest and dividends receivable, and accrued liabilities approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

10. Income taxes:

As at June 30, 2021, the Trust had net capital loss carry forwards of approximately \$nil (December 31, 2020-\$nil) available for utilization against capital gains in future years. Such net capital losses are available to be carried forward indefinitely. The Trust had non-capital loss carry forwards of approximately \$168,546 (December 31, 2020 - \$168,546). Non-capital losses may be carried forward up to 20 years. These losses expire in 2040.

11. Subsequent events

The Trust, formerly McElvaine Investment Trust, name changed to McElvaine Value Fund (the "Trust") on July 27, 2021.

12. Revision of comparative figures

Certain prior period comparative figures in the Interim Statements of Comprehensive Income have been reclassified to conform to current period presentation. Fundserv fees has been reclassified from Custodial, unitholder recordkeeping and valuations expenses. Accordingly, there is no impact on total increase (decrease) in net assets attributable to holders of redeemable units.