

ROMC TRUST

2017

MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2017 and for the period from June 3, 2016 (commencement of operations) to December 31, 2016

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of ROMC Trust (“ROMC” or the “Fund”). You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-866-261-6669, by writing to McLean Asset Management Ltd., 1 Richmond Street West, Suite 800, Toronto, Ontario M5H 3W4 or by visiting www.mamgmt.com or SEDAR at www.sedar.com.

Unitholders may also contact us using one of these methods to request a copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

About ROMC Trust

The Fund is a Canadian reporting issuer unit trust founded in 2016.

ROMC’s goal is to generate a positive return on investor capital, principally through ownership in common equity investments. ROMC’s manager believes that a good business generates a high economic return on its own capital. A good investment results from acquiring an interest in a good business at a sensible price, thereby producing an attractive economic return on investor capital. Economic returns typically take the form of earnings, dividends and interest income but can also derive from rising asset values.

ROMC’s manager encourages unitholders to focus on economic results, believing that attractive economic returns lead to positive market returns, which help investors maintain their purchasing power over time. Given the detrimental effects of long-term inflation and taxes, maintaining purchasing power is easier said than done. The great fund manager John Templeton said, “For all long-term investors, there is only one objective: maximum total real return after taxes.” This truism lies at the heart of what ROMC does.

ROMC has concentrated positions. ROMC’s fiscal year follows the calendar year. Valuations are currently performed daily (on each business day). Unitholders are entitled to receive an annual management report of fund performance, together with annual audited financial statements, as well as an interim management report of fund performance, together with interim financial statements.

ROMC’s service providers:

| Administrator | Auditor | Fund Manager |
|--|---|---|
| Convexus Managed Services Inc 135 Commerce Valley Drive East Thornhill, Ontario L3T 7T4 Tel. 905-707-5998 | KPMG LLP 333 Bay Street, Suite 4600 Toronto, Ontario M5H 2S5 Tel. 416-777-8500 | McLean Asset Management Ltd 1 Richmond Street West, Suite 800 Toronto, Ontario M5H 3W4 Tel. 416-488-0547 |

For more information, including ROMC’s Prospectus, historical performance results and contact details, please visit ROMC’s website at www.mamgmt.com or contact the investment fund manager directly by phone at 416-488-0547, or by email at davidmclean@mamgmt.com.

The report you are about to read contains opinions of the author as well as estimates and unaudited figures. The author has attempted accuracy. This report is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

Investors have the right to cancel a subscription, have their money returned and/or claim damages if information provided to them by management misrepresents facts about ROMC. More details about investor rights can be found in the Ontario Securities Act, under section 130.1(1).

To the unitholders of ROMC Trust:

From January 1 to December 31, 2017, our gain was \$425,572. On a per-unit basis, our net asset value increased 7.06 per cent for series A and 7.67 per cent for series F. Since inception (a little over one-and-a-half years ago), our per-unit net asset value has increased from \$10 to \$11.88 for series A and to \$11.99 for series F.

According to Morningstar, we were in the bottom of the global equity fund pile in 2017—nothing to write home about. Some of you may recall last year’s letter, in which I wrote:

“While ROMC’s performance results matter, unitholders should read and consider the full contents of this report. Why? Because on occasion, the numbers... aren’t going to be much to write home about. On those occasions, by referring to these pages, you should understand how it is that we go about this business and act productively—I dare say patiently—to take advantage.”

I guess I meant it. Our equity holdings performed reasonably, the culprit was too much cash. We carried between 40 and 50 per cent of the Fund in cash throughout the year and that formed an anchor that dragged our overall results below our peers. We did buy stocks during the year, just not enough to materially reduce our cash balance.

That will change. In fact, since year end, it has changed. During the recent spate of volatility, we managed to lower cash in favour of equities. I use the word volatility on purpose. ROMC unitholders should look upon it much the same as they do the word opportunity.

To illustrate: Say you like orange juice and that your day is not complete without a morning glass. When you go to the store to pick up your favourite brand, do you recoil in fear when it is on sale? More likely you rejoice—a little victory. The same can be said for the stock market. If you are going to be a net saver over the foreseeable future and add to your investments as you go, you should see the odd “sale” on stocks as a little victory. (Material corrections don’t often come around and they don’t tend to last a very long time.)

The seller rightly wishes for consistently higher stock prices but for those who are investing for the long haul, the idea of acquiring productive assets at occasionally knocked-down prices should be rejoiced.

Economic progress

Using 2017 company earnings on a portfolio-weighted-average basis, the earnings yield on our common stocks at cost is about ten per cent. Because stock prices, on average, have increased, the present earnings yield on our common stock holdings at market value is a little less than eight per cent.

The reason I use earnings yields for common stocks (instead of the inverse, or price/earnings multiple) is for relative consistency. Financial markets are competitive and asset classes within compete for investor capital. They do this through yield. The following table shows you how things look out there at time of writing, broadly speaking:

Asset class relative yields

| | |
|---|------|
| S&P 500 Index earnings yield * | 4.1% |
| US 10-year treasury bond yield to maturity ** | 2.9% |
| US Fed Funds ** | 1.4% |

* Source: www.us.spindices.com & using 2017 earnings est.

** Source: www.bankofcanada.ca

None of the above yields appear enticing on their own. At least, not to your manager and that is a big reason why we’ve had so much cash. But, relatively speaking, equities continue to look better, especially when

you consider that inflation is eating up our purchasing power by about two per cent annually. Cash and bond investors are actually losing real money, after taxes.

Expenses

In 2017, ROMC's management expense ratio (MER) was 1.80 per cent for series A and 1.22 per cent for series F. The MER is calculated using the Fund's operating expenses. It is determined by adding up all relevant expenses charged against the Fund and dividing them by the Fund's average daily net assets over the same period.

Taxes

There was no income to report in 2017 so no tax filing for you. Since inception, we've had little turnover and income that we received didn't amount to much.

Unitholders should know that portfolio turnover is not high on ROMC's list of priorities. By keeping turnover low and compounding economic value over the long term, we should enjoy a rising market value. If so, keeping gains unrealized will allow us to defer the tax we must someday pay. By deferring taxes, we effectively keep more capital at work. Think of it as a loan from the government, at zero interest for as long as we hold.

Partnership

ROMC Trust is still very much in its infancy and as a result of being young and small, it suffers from high fixed expenses. To counter such headwinds, your manager has waived his fee. I also have a material interest in the Fund as an investor, on the same terms as other series A unitholders. My reasoning: I prefer to make money with you than off you.

A mindset of partnership is important. Investing is simple but not always easy; it requires patience (sometimes even fortitude) and competence. Combine these ingredients, though, and you have the makings of a positive experience.

March 27, 2018

David McLean

Management Discussion of Fund Performance

Investment objectives & Strategies

To achieve ROMC Trust's objectives, your manager selects securities that offer a perceived discount to those offered generally in securities markets. It is his belief that a good investment is generally determined by acquiring a productive asset that generates an attractive economic return on investor capital. Economic returns typically take the form of earnings, dividends and interest income but can also derive from rising asset values. To do this, ROMC Trust will tend to hold only a handful securities at one time. There are few moments when most securities are available at perceived discounts, even when looking globally. As a result, the Fund will tend to concentrate positions. A closet indexer ROMC is not.

Risk

Throughout 2017, ROMC held a large cash position. If stock and bond valuations are not compelling and at present they do not appear compelling, we will hold cash. If the stock market continues to rise strongly, holding cash will limit the Fund's ability to keep up. Unitholders should know that ROMC's focus is on value for money. A lack of it will likely see us do little to chase the market and that may mean periods of underperformance.

Risks involved with an investment fund with a global mandate like ROMC include: securities market risk, foreign-currency risk, security-issuer risk, political & legal risk, broker/dealer risk, tax risk, net asset value fluctuation, limited operating history, key personnel risk, multi-class risk, no guaranteed return, loss of limited liability, and a reliance on historical data risk. It's a good idea for all investors, whether existing or prospective, to read the Fund's most recent prospectus and consider the Fund's risks.

Results of operations

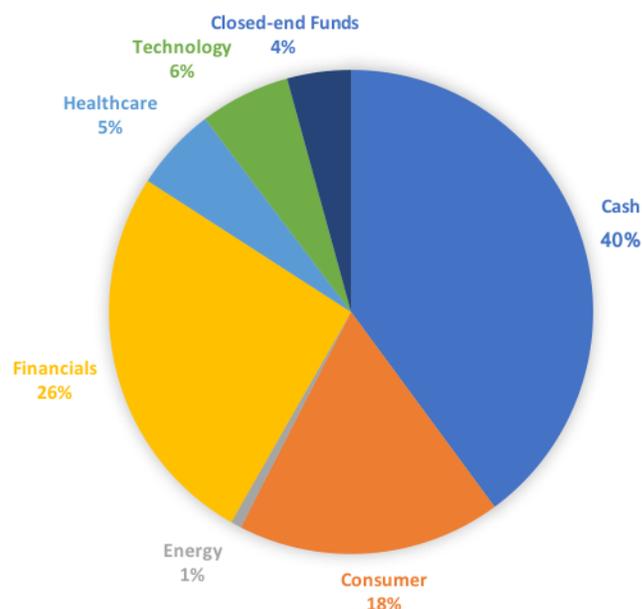
In 2017, series A units and series F units of the Fund returned 7.06 per cent and 7.67 per cent, respectively. There were no distributions to unitholders during the year. By comparison, the MSCI World Equity Index (in Canadian dollars and on a gross basis) returned 14.99 per cent.

Last year, we earned \$558,179 in comprehensive income (including unrealized gains of \$570,060). Gross operating expenses of \$228,797 were reduced, through management fee absorptions, to a net operating expense figure of \$132,607. Because all of our income (and then some) was in the form of unrealized gains, there was no distribution to unitholders.

We increased the number of portfolio holdings in 2017 with three additions: two in consumer-oriented businesses and one in healthcare. At year end, ROMC had the following allocations:

| ROMC Trust asset mix as at: | 31-Dec-17 |
|-----------------------------|-----------|
| Canadian equities | 5% |
| US equities | 32% |
| European equities | 23% |
| International equities | 1% |
| Cash & equivalents | 40% |
| Total - ROMC Trust | 100% |

ROMC Trust Sector allocation at 31-Dec-17



Throughout 2017, your manager felt there was little opportunity to allocate cash to equities. The last time we saw such opportunity was the third quarter of 2016. Since then, our stocks have appreciated handsomely.

Recent developments

With valuations in the market where they presently are, and since your manager expects subscriptions to outpace redemptions in the near-term, we may continue to maintain a larger-than-normal cash position. Of course, that will change when value appears somewhere and in something that your manager feels he understands.

In addition, the recent weakness in the US dollar had some negative impact on our holdings in US stocks (32% of the portfolio at yearend). As a group, their market values in Canadian dollars increased during the period but that increase would have been more pronounced had the dollar held constant.

For the inquisitive unitholder, you can keep up with goings on at ROMC by viewing our fund's portfolio holdings—updated quarterly at www.mamgmt.com, by clicking on “ROMC Trust” and then on “Reporting.” Also, while you are there, you can find the most recent report from the Independent Review Committee and other reporting details that might help you better understand your fund.

Related party transactions

McLean Asset Management Ltd. (the manager) is a related party and provides or arranges for the provision of all general management and administrative services rendered by ROMC Trust in its day-to-day operations, including providing investment advice and arranging for the provision of record-keeping services for the Fund. The manager also acts as trustee to the Fund.

In providing or arranging for the provision of investment advisory and management services, the manager is entitled to receive an investment management fee from investors in the fund. Management fees are expensed against the net assets of the fund on each valuation day and paid out monthly or quarterly, at the option of the manager. In 2017, the manager waived its share of management fees.

ROMC's manager is also a unitholder and all transactions between the manager (and any parties related to the manager) with the Fund are done on an arm's length basis, on the same terms as any unitholder.

Financial Highlights

The following tables show selected financial data for ROMC Trust that is intended to help you understand your fund's financial performance. This information is derived from the Fund's audited annual financial statements.

Series A:

| ROMC Trust net assets per unit - series A | 2017 | 2016* |
|---|--------|--------|
| Net asset value, beginning | 11.09 | 10.00 |
| Increase (decrease) from operations: | | |
| Total revenue | 0.15 | 0.10 |
| Total expenses | (0.22) | (0.16) |
| Realized gains (losses) for the period | (0.17) | (0.04) |
| Unrealized gains (losses) for the period | 0.96 | 1.24 |
| Total increase (decrease) from operations (1) | 0.72 | 1.14 |
| Distributions: | - | - |
| From income (excluding dividends) | | |
| From dividends | | |
| From capital gains | | |
| From return of capital | | |
| Total distributions (2) | | |
| Net asset value, end | 11.88 | 11.09 |

* Period from June 3, 2016 (commencement of operations) to December 31, 2016

| ROMC Trust ratios and supplemental data - series A | 2017 | 2016* |
|--|---------|---------|
| Net assets (000's) (3) | \$7,491 | \$4,690 |
| Number of units outstanding (3) | 630,649 | 422,700 |
| Management expense ratio (4) | 1.80% | 2.39% |
| Management expense ratio before waivers | 3.18% | 3.49% |
| Portfolio turnover rate (5) | 7.66% | 7.45% |
| Trading expense ratio (6) | 0.02% | 0.23% |
| Closing market price | 11.88 | 11.09 |

* Period from June 3, 2016 (commencement of operations) to December 31, 2016

Series F:

| ROMC Trust net assets per unit - series F | 2017 | 2016* |
|---|--------|--------|
| Net asset value, beginning | 11.13 | 10.00 |
| Increase (decrease) from operations: | | |
| Total revenue | 0.15 | 0.05 |
| Total expenses | (0.16) | (0.09) |
| Realized gains (losses) for the period | (0.14) | 0.01 |
| Unrealized gains (losses) for the period | 0.69 | 1.15 |
| Total increase (decrease) from operations (1) | 0.54 | 1.12 |
| Distributions: | - | - |
| From income (excluding dividends) | | |
| From dividends | | |
| From capital gains | | |
| From return of capital | | |
| Total distributions (2) | | |
| Net asset value, end | 11.99 | 11.13 |

* Period from June 3, 2016 (commencement of operations) to December 31, 2016

| ROMC Trust ratios and supplemental data - series F | 2017 | 2016* |
|--|--------|--------|
| Net assets (000's) (3) | \$538 | \$238 |
| Number of units outstanding (3) | 44,862 | 21,336 |
| Management expense ratio (4) | 1.22% | 1.31% |
| Management expense ratio before waivers | 2.63% | 2.44% |
| Portfolio turnover rate (5) | 7.66% | 7.45% |
| Trading expense ratio (6) | 0.02% | 0.23% |
| Closing market price | 11.99 | 11.13 |

* Period from June 3, 2016 (commencement of operations) to December 31, 2016

- (1) Net asset value distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.
- (2) This information is provided as at period end shown and is rounded to the nearest thousand.
- (3) Management expense ratio (MER) is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.
- (5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
- (6) The Financial Highlights are not intended to act as continuity of the opening and closing net assets per unit.

Management fees

In consideration for the provision of management services to ROMC, McLean Asset Management Ltd. receives a management fee at the annual rate of 1 per cent, plus applicable sales taxes, of the net asset value of the Fund's series F units and 1.5 per cent, plus applicable sales taxes, of the net asset value of the Fund's series A units, calculated and accrued daily and payable monthly or quarterly in arrears.

As part of the management fee, the manager will pay to registered dealers a service fee equal to 0.5 per cent per year of the net asset value of the series A units held by clients of the registered dealer. No service fees are paid to registered dealers in respect of the series F units.

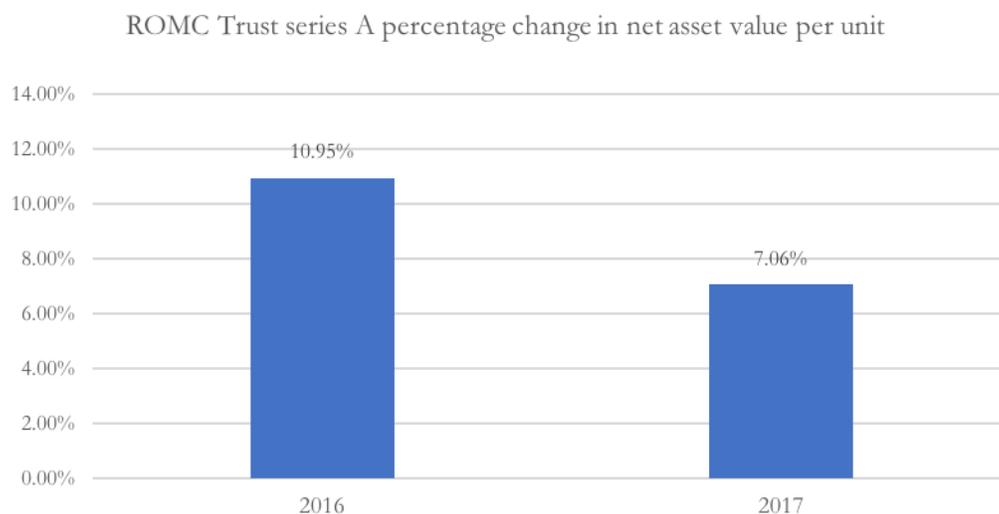
For 2017, total management fees for both series were \$115,413 (\$34,762 in 2016) of which \$78,559 (\$23,252 in 2016) was waived/absorbed by the manager. The net amount was paid to registered dealers.

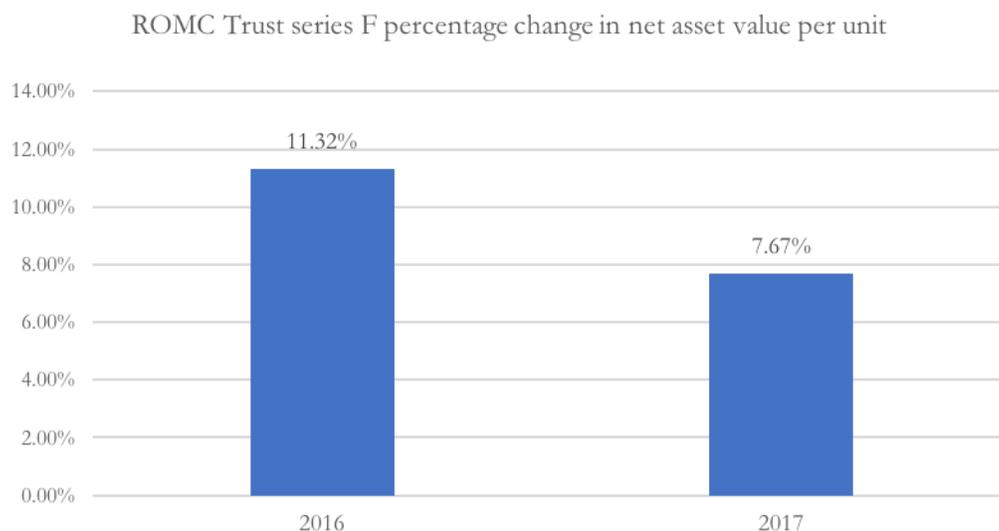
Past performance

Commissions, trailing commissions, management fees and expenses all may be associated with an investment in the Fund. Please read the prospectus before investing. The indicated rates of return are the historical total returns including changes in unit value and reinvestment of all distributions (if any), and do not take into account sales, redemptions, distributions or optional charges or income taxes payable by any investor that would have reduced returns. An investment in the Fund is not guaranteed. Its value changes frequently and past performance may not be repeated. The Fund's performance numbers assume that all distributions are reinvested in additional units of the Fund. If you hold the Fund outside of a registered plan, income and capital gains distributions that are paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of the reinvested taxable distributions is added to the adjusted cost base of the units that you own. This would decrease your capital gain or increase your capital loss when you later redeem from the Fund, thereby ensuring that you are not taxed on this amount again. Please consult your tax advisor regarding your personal tax situation.

Year-by-year returns

The following charts show the Fund's performance for each of the series A and series F units for each of the years shown. The charts show, in percentage terms, how much an investment made on the first day of the financial year would have grown or decreased by the last day of the financial year, or period under review. For 2017, the return is for the twelve-month period from January 1 to December 31, 2017. For 2016, the return is for the period June 3 (commencement of operations) to December 31, 2016.





Annual compound returns

The following table compares the Fund's annual compounded total return for each series of the Fund along with a comparable market index. The MSCI World Index is a broad global equity benchmark that represents large and mid-cap equity performance across 23 developed markets countries.

Last year, ROMC Trust materially lagged the MSCI World Equity Index, mainly as a result of holding a large cash position in a rising market. Since inception and despite holding almost half of its portfolio in cash, ROMC Trust lagged the MSCI World Index by a little over three per cent for series A and a little less than three per cent for series F.

The table below is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the Fund or future returns on investments in the Fund.

| To December 31, 2017 | Past year | Since inception * |
|------------------------|-----------|-------------------|
| ROMC Trust series A | 7.06% | 11.55% |
| ROMC Trust series F | 7.67% | 12.20% |
| MSCI World Index (CAD) | 14.99% | 15.00% |

* Inception June 3, 2016

Summary of investment portfolio

| Asset Allocation as at: | 31-Dec-17 | % of Fund net assets |
|-------------------------------------|-----------|----------------------|
| Cash & equivalents | | 40% |
| Common equities & equivalents | | 60% |
| Total net asset value of ROMC Trust | | 8,028,563 |

| Common equities & equivalents as at: | 31-Dec-17 | % of Fund net assets |
|--------------------------------------|-----------|----------------------|
| American Express Company | | 5% |
| Apple Inc | | 3% |
| Banco Santander, SA | | 6% |
| Bank of America Corp | | 8% |
| Berkshire Hathaway Inc, class B | | 4% |
| Empire Company Ltd | | 5% |
| Frontline Ltd | | 1% |
| Gilead Sciences Inc | | 6% |
| IBM Corp | | 3% |
| Nomad Foods Ltd | | 5% |
| Pershing Square Holdings Ltd | | 4% |
| Sports Direct International Plc | | 4% |
| Wells Fargo & Company | | 3% |
| WPP plc | | 4% |
| Total - Equities | | 60% |

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