



MFi Energy Equity Fund*

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
For the Period Ended June 30, 2009

* Class of Shares of MFi Funds Corp.

MFi Energy Equity Fund

Interim Management Report of Fund Performance
For the Period Ended June 30, 2009



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This interim management report of Fund performance contains financial highlights but does not contain either the interim or annual financial statements of the MFi Energy Equity Fund (the "**Fund**"). You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling 1-877-539-5743, by writing to us at 400, 407-8th Avenue SW, Calgary AB T2P 1E5 or by visiting our website at www.matcofinancialinc.com or SEDAR at www.sedar.com.

Security holders 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.

A NOTE ON FORWARD LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement. Forward looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next Management Report of Fund Performance.

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Management Discussion of Fund Performance

This management discussion of Fund performance presents management's view of the significant factors and developments during the period that have affected the Fund's performance and outlook. For information on the Fund's longer-term performance, please refer to the *Past Performance* section of this report. In this report, "Matco" refers to Matco Financial Inc., the manager of the Fund.

Investment Objective and Strategies

This fund seeks long term capital appreciation by investing in a portfolio of Canadian and U.S. energy equities with a bias towards mid and smaller capitalization companies. Matco seeks to maintain a portfolio that is well diversified among geography, sector and market capitalization. The Fund will generally be 100% exposed to stocks.

Risk

The overall risks of investing in the Fund are as described in the Fund's Prospectus. There were no material changes to the Fund during the year that affected the overall level of risk associated with an investment in the Fund.

Results of Operations

The Fund was incorporated on May 17, 2007, began operations and made its portfolio investments at June 29, 2007 and was first offered for sale to the public via prospectus on November 29, 2007. The Fund's net assets increased over the past six months to \$5.9 Million at June 30, 2009. Within the period there was a net gain of investment of \$0.5 Million attributable to investment performance. The Fund's performance is discussed below.

During the year, the Fund made no material changes in overall asset mix and experienced no unusual trends in redemptions or sales. However, as a result of our preparation for fund RRSP eligibility, there was an internal redemption of shares for the Fund.

For the past six month period, the Fund's Series F units returned 11.68%. This compares with the 22.29% return of the benchmark index, the S&P TSX Capped Energy index. Unlike the index returns, the Fund's return is net of fees and expenses paid by the Series. Please refer to the *Past Performance* section of this report for the returns of other series offered by the Fund and to the *Related Party Transactions – Management Fees* section of the report for the varying management fees payable by each series.

Overall, the Fund's return underperformed the benchmark index due to its specific sector focus and related security

selection which was not in line with that of the S&P TSX Capped Energy index.

Oil and gas stocks experienced significant volatility during the six month period ended June 30, 2009. The year began with energy stocks continuing their downward trend as concerns over deteriorating global demand for commodities weighed on oil and gas prices. Swelling inventories of oil and fears that the stimulus plans by the US Government would be unable to stem a further decline in the economy kept the downward pressure on prices. Crude oil prices fell below \$34 per barrel in February, down more than 75% from the record high reached just eight months earlier and natural gas prices touched a six year low below \$4/mmbtu.

March witnessed the turn in sentiment and brought positive returns to the energy sector for the first time in six months as oil prices rose and overall equity markets rallied. This was the beginning of a strong rally in oil and gas stocks that continued through to the end of June 2009. Crude oil prices rose 56.70% during the period on optimism for an economic recovery globally and particularly the U.S. and China. Natural gas prices decoupled from oil prices and fell 31.79% during the same period, but investors seemed to look through the short term weakness focusing on the improving economic outlook. Strong oil prices drove the TSX Capped Energy index up 22.29% for the six month period and were up 51.63% from the lows touched in February.

The Fund ended the six month period holding 35 positions in Canada and the US, the majority in Canada. Weightings in US based energy companies were lowered as our view on the US dollar remained bearish during the period. The commodity weighting of the Fund's holdings was approximately 58% natural gas producers and 42% oil at the end of June. The fund added oil producers as a result of growing concern over weak industrial demand combined with robust supply growth and high inventory levels of natural gas. The fund increased its weighting in large cap oil weighted producers as well as heavy oil producers (Baytex Energy and Pearl Exploration) as differentials narrowed dramatically. As a result, the Fund was able to participate in the rise in the stock prices of oil producers.

The top contributor to the Fund's return over the six month period was Sabretooth Energy which increased 616% on the reorganization of the company with a top tier management team. This stock was followed by US producers, Falcon Oil & Gas (+57.14%), Quicksilver Resources (+56.90%), and Atlas Energy (+50.50%). Penn Virginia fared the worst in the portfolio with a decrease of

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40.72% followed by Vero Energy which was down 40.44%.

Recent Developments

At June 30 2009, the Fund is selectively increasing its weighting in natural gas producers in anticipation of a recovery in prices heading into the fall. Dramatic declines in drilling activity across North America are expected to begin to reflect in declining production that will help reduce the storage overhang. As a result, the manager altered its portfolio strategy with a view to shifting to a slightly higher weighting in natural gas weighted producers. Large capitalization stocks provided a high degree of defensiveness through the first half of 2009, but a renewed interest in small and mid capitalization players in anticipation of consolidation activity caused an increase in these holdings.

The Fund's overall asset allocation and security selection is reviewed quarterly. Asset allocation is based on longer-term projections regarding asset class returns, risk and correlations. Underlying companies are selected to provide exposure to the desired asset classes while achieving diversification by market capitalization, commodity, and sector selection. Matco's long-term view is that world demand for oil will continue to grow as China and India's economies expand, more than offsetting declining demand from OECD countries. Global oil supply growth remains lackluster and incremental production is more costly to produce (oil sands). In addition, the US natural gas rig count remains at depressed levels with the current price of natural gas below the cost of most production. But as the US economy recovers, demand will increase and production curtailment coupled with natural declines will help balance the market. As a result, the stock prices of Canadian and US oil and natural gas producers should continue to perform well.

While the focus of the Fund is to provide a suitable asset allocation for the longer term based on macro-economic developments, as portfolio manager, Matco is very focused on positioning the portfolio to benefit in the nearer term from either cyclical shifts in the energy sector or from bottom-up stock selection.

Related Party Transactions

Management Fees

Matco provides the Fund with investment management services, including managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of the investment

portfolio and providing other services. In return, Matco receives a management fee based on the net assets of the Fund, calculated on a daily basis. For the six months ended June 30, 2009, the Fund paid Matco management fees of \$9,873 (2008 - \$5,024) and performance fees of \$Nil (2008 - \$254,635). Effective March 1, 2008 Matco waived their right to management fees until October 1, 2008

The management and administration fee for Series O securities is negotiated with and paid by the shareholder to the manager. The sales commission under the Front Load option is negotiated with and paid by the shareholder directly to the dealer.

Annual Rate	Series A (FL)	Series F
Management fees	2.25 %	1.25 %
Trailer (maximum rate as a % of management fee)	50.00%	Nil
Front Load (FL) sales commission – up to 6%		

Other Transactions

Administration Services

The Fund paid \$38,408 (2008 - \$27,002) to RBC Dexia Investor Services for valuation, custodian, recordkeeping, unitholder, and trustee services. This amount excludes costs paid through the Fund's investment in other mutual funds and portfolios managed by third parties.

Portfolio Transaction Services

The Fund incurred trading costs of \$3,471 (2008 - \$17,517) through securities transactions conducted through RBC Dexia Investor Services and TD Waterhouse Investor Services. RBC Dexia Investor Services also provides portfolio transaction services to the Fund when the Fund invests directly in securities of third party mutual funds. The Fund paid no brokerage commissions on these investment transactions.

Past Performance

The indicated rates of return are the historical annual compound total returns, including changes in unit value and assuming reinvestment of all distributions. They do not take into account sales, redemption, and distribution or 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. As the Fund may not currently be held inside of a registered plan, income and

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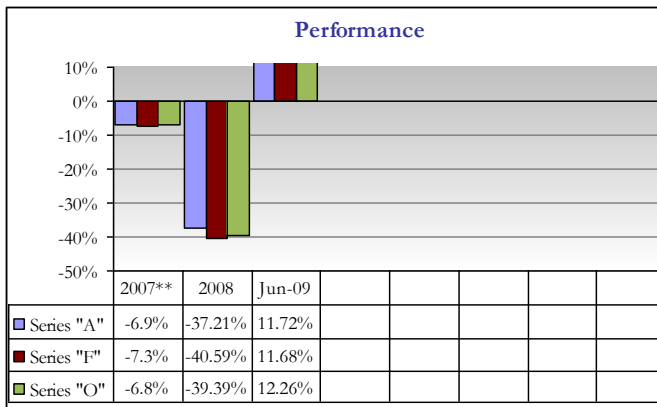
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capital gains distributions paid to you increase your income for tax purposes whether paid to you in cash or reinvested in additional units. The amount of reinvested taxable distributions is added to the adjusted cost base of the units that you own. 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. The past performance of the Fund is set out in the following charts and the compound returns table.

Year-By-Year Returns

The bar charts that follow show the performance of each series of the Fund for the period ended December 31, 2007, the year ended December 31, 2008 plus the interim period to June 30 2009. The charts show, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, 2008 and June 30, 2009 of the fiscal year (except for 2007 as noted below).



** The rate of return for the period from inception (June 29, 2007 – December 31, 2007). The Fund was prospectus qualified as at November 29, 2007. Return Rates assume reinvestment of all distributions at net asset value.

The Fund has been recently established and as such, does not currently have a long track record of distributions, however, it is expected that over time the re-investment of distributions will have a significant and material impact on rates of return.

Summary of Investment Portfolio (at June 30, 2009)

Fund Diversification			
Capitalization	<u>Large Cap</u>	<u>Medium Cap</u>	<u>Small Cap</u>
	U.S.	>5.5Bil	1.5-5.5Bil >500M<2Bil
Canada	>2Bil		<500M
Neutral	40%	40%	20%
Permitted range	0-50%	0-50%	0-40%
Actual June 30	31%	39%	30%

Sector	<u>Index</u>	<u>Actual Jun 30</u>
Oil & Gas Drilling	1.5%	0.0%
Oil & Gas Equipment/Services	1.6%	1.2%
Integrated Oil & Gas	23.2%	6.3%
Large Cap. Expl.& Prod'n.	51.2%	24.9%
Small/Mid Cap Expl.& Prod'n.	4.1%	67.7%
Oil & Gas Refining/Marketing Oil & Gas	.8%	0.0%
Storage/Transportation	13.5%	0.0%
Coal & Consumable Fuels	4.1%	0.0%

Commodity	<u>Neutral</u>	<u>Actual Jun 30</u>
Oil	40%	42%
Gas	60%	58%

Country	<u>Range</u>	<u>Actual Jun 30</u>
Canada	65-100%	74%
U.S.	0-35%	26%

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Top 25 Holdings

<u>Underlying Investments</u>	<u>% of NAV</u>
Suncor Energy Inc.	5.3
Crescent Point Energy Trust	5.1
Cdn. Natural Resources Ltd.	4.6
TriStar Oil & Gas Corp.	3.6
Progress Energy Res. Corp.	3.6
PetroHawk Energy Corp.	3.6
Southwestern Energy Co.	3.5
Encana Corp.	3.5
Talisman Energy Inc.	3.4
Atlas Energy Res LLC	3.1
Nuvista Energy Ltd.	3.1
ARC Energy Trust	3.1
Baytex Energy Trust	3.0
Angle Energy Ltd.	2.8
Advantage Energy Income Fund.	2.7
Ultra Petroleum Corp.	2.6
Blackpearl Resources Inc.	2.6
Fairborne Energy Ltd.	2.5
Highpine Oil & Gas Ltd.	2.5
Daylight Resources Trust	2.3
Penn Virginia Corp.	2.1
Range Resources Corp.	2.0
Sabretooth Energy Ltd.	1.8
Delphi Energy Corp.	1.8
Carrizo Oil & Gas Inc.	1.7
TOTAL	75.9

The investments and percentages outlined herein may have changed by the time you purchase units of this Fund. The top 25 holdings are made available quarterly, 60 days after quarter-end and may be obtained by contacting your registered representative or by contacting Matco toll free at 1.877.539.5743 or by email at matco@matcofinancial.ca.

The Fund held no short positions or private equity at the end of the period.

Series A returns of the underlying funds are used in the discussion of this Fund's performance because information on Series A of those underlying funds is most widely available to investors. However, this Fund's actual investments are in Series O & F securities of the underlying funds, which are offered under their respective prospectuses. These series charge lower fees and expenses than Series A securities.

The simplified prospectuses and other information about the underlying funds are available on such funds' websites or on the SEDAR website at www.sedar.com.



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 since its inception. This information is derived from the Fund's audited annual financial statements.

MFI ENERGY EQUITY FUND - Series A

Net Assets per Share			
	2009	2008	2007
Net Assets, beginning of year ⁽¹⁾⁽³⁾	\$ 5.73	\$ 10.00	\$ 10.00
Increase (decrease) from operations:			
total revenue	0.07	0.22	276.00
total expenses	(0.10)	(0.24)	-
realized gains (losses) for the year	(0.40)	(2.28)	-
unrealized gains (losses) for the year	1.16	(7.21)	(276.00)
Total increase (decrease) from operations ⁽¹⁾	0.73	(9.51)	-
Distributions :			
from income (excluding dividends)	-	-	-
from dividends	-	(0.05)	-
from capital gains	-	-	-
return of capital	-	-	-
Total annual distributions ⁽²⁾	-	(0.05)	-
Net Assets, end of year or interim period	\$ 6.41	\$ 5.73	\$ 10.00

Ratios and Supplemental Data

	2009	2008	2007
Net asset value end of year or period ⁽¹⁾	153,663	121,296	9
Number of shares outstanding ⁽¹⁾	23,881	21,060	1
Management expense ratio (%) ⁽²⁾	3.09	2.38	-
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	3.82	5.36	-
Portfolio turnover rate (%) ⁽³⁾	5.00	31.00	5.00
Trading expense ratio (%) ⁽⁴⁾	0.16	0.35	0.50
Net asset value per share end of year or interim period ⁽⁵⁾	6.43	5.76	10.03

MFI ENERGY EQUITY FUND - Series F

Net Assets per Share			
	2009	2008	2007
Net Assets, beginning of year ⁽¹⁾⁽³⁾	\$ 5.39	\$ 9.24	\$ 10.00
Increase (decrease) from operations:			
total revenue	0.07	0.21	0.11
total expenses	(0.09)	(0.42)	(0.15)
realized gains (losses) for the year	(0.64)	(0.53)	(0.03)
unrealized gains (losses) for the year	1.28	(3.34)	(0.24)
Total increase (decrease) from operations ⁽¹⁾	0.62	(4.08)	(0.31)
Distributions :			
from income (excluding dividends)	-	-	-
from dividends	-	(0.05)	-
from capital gains	-	-	-
return of capital	-	-	-
Total annual distributions ⁽²⁾	-	(0.05)	-
Net Assets, end of year or interim period	\$ 6.04	\$ 5.39	\$ 9.24

Ratios and Supplemental Data

	2009	2008	2007
Net asset value end of year or period ⁽¹⁾	4,152,397	1,591,473	2,417,425
Number of shares outstanding ⁽¹⁾	685,503	293,416	260,897
Management expense ratio (%) ⁽²⁾	3.10	4.70	2.81
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	3.83	6.47	2.81
Portfolio turnover rate (%) ⁽³⁾	5.00	31.00	5.00
Trading expense ratio (%) ⁽⁴⁾	0.16	0.35	0.50
Net asset value per share end of year or interim period ⁽⁵⁾	6.06	5.42	9.27

MFI ENERGY EQUITY FUND - Series O

Net Assets per Share			
	2009	2008	2007
Net Assets, beginning of year ⁽¹⁾⁽³⁾	\$ 5.53	\$ 9.30	\$ 10.00
Increase (decrease) from operations:			
total revenue	0.07	0.21	0.13
total expenses	(0.06)	(0.33)	(0.11)
realized gains (losses) for the year	(0.25)	(0.51)	(0.03)
unrealized gains (losses) for the year	0.81	(4.76)	(0.71)
Total increase (decrease) from operations ⁽¹⁾	0.57	(5.39)	(0.72)
Distributions :			
from income (excluding dividends)	-	-	-
from dividends	-	(0.05)	-
from capital gains	-	-	-
return of capital	-	-	-
Total annual distributions ⁽²⁾	-	(0.05)	-
Net Assets, end of year or interim period	\$ 6.23	\$ 5.53	\$ 9.30

Ratios and Supplemental Data

	2009	2008	2007
Net asset value end of year or period ⁽¹⁾	1,576,198	2,377,115	2,259,705
Number of shares outstanding ⁽¹⁾	252,229	427,020	242,500
Management expense ratio (%) ⁽²⁾	2.01	4.03	1.76
Management expense ratio before waivers or absorptions (%) ⁽⁶⁾	2.72	4.71	1.76
Portfolio turnover rate (%) ⁽³⁾	5.00	31.00	5.00
Trading expense ratio (%) ⁽⁴⁾	0.16	0.35	0.50
Net asset value per share end of year or interim period ⁽⁵⁾	6.25	5.57	9.32

Net Assets per Share Notes:

- (1) Net assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.
- (2) Distributions were paid in cash/reinvested in additional shares of the Fund, or both.
- (3) The relief granted to investment funds by Canadian securities regulatory authorities from complying with Section 3855 results in a difference between GAAP NAV and Transactional NAV due to the differences in valuation techniques of certain investments. For investments that are traded in an active market where quoted prices are readily and regularly available, Section 3855 requires bid prices (for investments held) or ask prices (for investments sold short) to be used in the fair valuation of investments, rather than the use of closing sales prices currently used for the purposes of determining Transactional NAV. For investments that are not traded in an active market, Section 3855 requires that the use of specific valuation techniques, rather than the use of valuation techniques by virtue of general practice in the investment funds industry.

Ratio and Supplemental Data Notes:

- (1) This information is provided as at June 30, 2009, December 31 for the other years
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
- (3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a 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 a fund.
- (4) 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.
- (5) Net Asset Value per share is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of shares then outstanding.
- (6) Commencing February 2008, Matco waived the monthly management fee for the A and F series of the Fund's shares. Matco may waive the monthly management fee at its discretion and stop waiving such management fee at any time. Matco resumed charging the management fee in October 2008. Furthermore, professional fees related to the AIF and the 2009 Audit are anticipated to be absorbed by Matco.