



MANAGEMENT REPORT OF FUND PERFORMANCE **2013**

Year ended December 31, 2013

MARQUEST SMALL COMPANIES FUND

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Marquest Small Companies Fund [formerly Matrix Small Companies Fund] (the "Fund"). You can get a copy of the annual financial statements at your request, and at no cost, from the manager Marquest Asset Management Inc. by calling 1-888-964-3533, by writing to us at Suite 4420, 161 Bay Street, PO Box 204, Toronto, Ontario, M5J 2S1 or by visiting our website at www.marquestfunds.ca 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.

This report contains forward looking statements. These statements primarily relate to assessments of future economic and market conditions, political stability and the adoption of International Financial Reporting Standards. Such information has been included to assist readers with assessing recent developments in the Fund's operating climate and possible future developments that may affect Fund performance. All forward looking statements are based on management's current beliefs and assumptions which are subject to numerous risks and uncertainties. Statements with respect to future economic and market conditions and political stability are based on management's beliefs and assumptions with respect to a range of factors, including market conditions generally and within the sectors and regions in which the Fund's investments operate. While management considers such beliefs and assumptions to be reasonable based on information currently available to it, no assurance can be given that such beliefs and assumptions will prove to be correct. As a result, these forward looking statements would typically include words such as "anticipates, believes, intended or estimated". Events or circumstances may cause actual results to differ materially from those expressed or implied by such forward looking statements as a result of numerous known and unknown risks and uncertainties, including, but not limited to, those associated with economic and market conditions, political stability and other risks identified in the Fund's prospectus. Most of these factors are beyond the control of the Fund and its Manager. Neither the Fund nor its Manager assumes any obligation to update any of the forward looking statements made in this report.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objectives and Strategies

Investment Objectives

The Fund seeks to provide maximum long-term capital growth by investing primarily in equity securities of Canadian companies, with an emphasis on small and micro capitalization companies. Investor approval is required for any change to the investment objective.

Investment Strategies

In order to achieve the Fund's objective, investments will be made by identifying undervalued companies with high potential for price appreciation. The Fund tends to significantly overweight exposure to industry sectors that demonstrate the strongest growth potential without exposing the Fund to unreasonable levels of risk. The Fund will engage in active trading with higher portfolio turnover rates and may invest in unlisted securities. The Fund may also invest up to 49% of the Fund's net assets in foreign securities and may purchase derivatives, invest in other mutual funds and enter into securities lending transactions.

Risks

There are risks associated with investing in the Fund. There have been no changes to the Fund which affected the risks associated with investing in the Fund during the year. Specific risk information can be found in the Fund's prospectus available through our website at www.marquestfunds.ca or at SEDAR's website www.sedar.com.

Results of Operations

Net Asset Value (NAV)

As at December 31, 2013 the Fund's total NAV was \$4,706,873, a decrease of 43.23% since the prior year end (December 31, 2012: \$8,291,239). This change was primarily the result of net unit redemption transactions of \$3,068,406 and net realized loss on investment of \$3,410,368. These were partially offset by net unrealized appreciation on investments of \$3,369,929.

Sales and redemptions during the year were as follows: Class A \$242,443 and \$3,219,763 respectively (December 31, 2012: \$812,081 and \$5,965,353); Class F \$14,800 and \$105,886 respectively (December 31, 2012: \$7,400 and \$102,833). There have been no subscriptions of Class I and O units of the Fund since their initial launch.

Investment Portfolio

North American markets made strong gains in 2013 as outlook for the economy steadily improved. Business sentiment, housing markets and employment statistics in both Canada and the United States made notable rebounds throughout the year. The S&P/TSX Total Return Index gained 12.99% in 2013. The breadth of gains in markets was robust. The best performing sectors were Health Care, Information Technology, Industrials and Consumer Discretionary. Materials and Utilities sectors were the weakest groups. The Canadian equity market underperformed other North American markets due to the poor performance of the resource sector, particularly the mining group as represented by the S&P/TSX Cdn. Materials Index which was negative 30.6% for the year.

During the year, the Fund's Class A and F units generated returns of -6.66% and -5.51% respectively.

The major investment focus of the Fund in 2013 was in the Healthcare and Technology sectors. The fundamentals of these sectors remains very strong and valuations are reasonable relative to the growth prospects. At year end Healthcare and Technology represented 19.5% and 32.2% of the portfolio respectively. Stock picking will be the key to performance in 2014.

Fees and Expenses

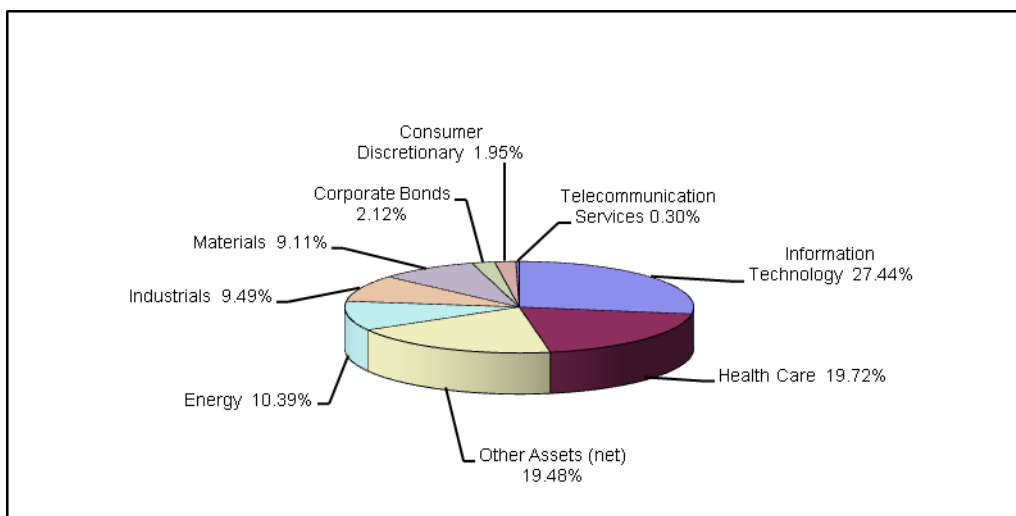
The main expenses for each Class of the Fund consists of management fees, operating costs and other fund costs, as applicable, for each Class. Other fund costs include audit, custodian, legal, reporting and independent review committee fees and other expenses. The management expense ratio (MER) is the Fund's total expenses expressed as a percentage of the average NAV of the Fund. The MER for the Fund's Class A and F units was 4.09% (December 31, 2012: 3.56%) and 2.60% (December 31, 2012: 2.22%) respectively. The increase is primarily the result of the Managers (as defined below) choosing to absorb less expense in 2013. Total expenses during the year excluding management fees were \$121,976 (December 31, 2012: \$171,947), with the decrease being the result of a decline in operating expenses of \$52,821 and custodian fees of \$20,327. These were partially offset by an increase in legal fees of \$26,156. As disclosed in the Fund's prospectus, the Managers may voluntarily waive, absorb or pay a portion of the Fund's fees and expenses, at its discretion. During the year the Managers absorbed \$37,484 in expenses of the Fund, so that the total expenses actually paid by the Fund were \$252,242.

Management fees are fixed percentages of NAV and typically increase or decrease with movements of NAV. See "Management Fees" and "Related Party Transactions" below for details on management fees.

SUMMARY OF INVESTMENT PORTFOLIO (AS AT DECEMBER 31, 2013)

The pie chart and table below provide information about the investment portfolio of the Fund, including a breakdown of the Fund's portfolio into subgroups and the Top 25 positions held by the Fund as a percentage of NAV.

Asset Mix



Top 25 Holdings

1	Cash	18.23%	14	Constellation Software Inc.	2.55%
2	Sphere 3D Corporation	6.40%	15	BSM Technologies Inc.	2.40%
3	Spectral Diagnostics Inc.	6.26%	16	Lorus Therapeutics Inc.	2.40%
4	API Technologies Corp.	4.95%	17	Symbility Solutions Inc.	2.24%
5	Cordillera Gold Ltd.	4.73%	18	Descartes Systems Group Inc.	2.23%
6	Urthecast Corp.	3.78%	19	Questor Technology Inc.	2.11%
7	Fission Uranium Corp.	3.62%	20	Patient Home Monitoring Corp., Convertible 12.00% 18/12/2014	2.10%
8	Solium Capital Inc.	3.33%	21	Eurocontrol Technics Group Inc.	1.99%
9	Prometic Life Sciences Inc.	3.30%	22	One Roof Capital, Private Placement	1.89%
10	Bluemetrix Environmental Inc.	3.08%	23	Redline Communications Group Inc.	1.84%
11	Novadaq Technologies Inc.	2.94%	24	Aurora Spine Corp.	1.78%
12	Lonestar West Inc.	2.66%	25	iFabric Corp.	1.58%
13	Tekmira Pharmaceuticals Corp.	2.59%		TOTAL % OF NAV	90.98%

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund and a monthly update is available at www.marquestfunds.com. The weightings of the positions are calculated based on total NAV of the portfolio as at December 31, 2013. The Fund does not hold short positions. The prospectus and other information of Marquest Small Companies Fund are available on the internet www.sedar.com.

Recent Developments

The major investment theme for 2014 will be the reacceleration of synchronized global growth. The four major economies of the world US, Europe, China and Japan are all experiencing a reacceleration of economic growth which began about the middle of 2013. It is unusual for all major economies to be in a similar condition. As a result, the implications of this synchronized growth will dominate the investment environment in 2014. There are several investment trends which will result from this expansion of global growth that will have a significant impact on capital markets.

Growth in world trade will expand as global growth improves. The dollar value of world trade broke into new all-time high last October due to an upturn in trade volumes. World trade has a direct correlation with industrial production and corporate revenues and therefore we expect corporate revenues to expand at a faster rate in 2014. The rally in equity markets in 2013 was driven by a valuation expansion. Performance in 2014 will focus on companies and sectors that have strong revenue and cash flow growth. We expect growth stocks to outperform in 2014.

Commodities tend to rise in periods of expanding industrial production and world trade. Given the extremely depressed valuations in the mining sector, we expect to see a recovery in the gold and base metal stocks over the next year. This would be positive for the Canadian equity market.

Change of Manager

On September 16, 2013 Marquest Asset Management Inc. became the manager of the Fund (the "Manager"). In this document the "Managers" means both "Matrix Fund Management Inc. (a division of GrowthWorks Capital Ltd.)" and the Manager.

International Financial Reporting Standards

The Funds will be required to adopt International Financial Reporting Standards ("IFRS") for the basis of preparing financial statements for the fiscal year beginning January 1, 2014. At the transition date, the prior fiscal year financial statements will require restatement to IFRS for comparative purposes. The Fund will prepare its first financial statements under IFRS for the interim period ending June 30, 2014, along with comparative data under IFRS and an opening Statement of Net Assets as at January 1, 2013.

Major differences identified include the mandatory inclusion of a statement of cash flows, potential consolidation of investee, the measurement basis of fair value, the classification and presentation of security holders' equity, as well as more extensive note disclosure requirements. The transitional considerations described above and below are based on Canadian GAAP and IFRS that are in effect as of the date of these audited financial statements and should therefore not be considered an exhaustive summary of the significant accounting changes when the Funds adopt IFRS.

The Funds will be required to present Statements of Cash Flows in accordance with the requirement of IAS 1 Presentation of Financial Statements and prepared in accordance with IAS 7 Statement of Cash Flows.

To the extent that the Fund holds a controlling interest in an investment, and the Fund meets the criteria under IFRS 10 Consolidated Financial Statements to be defined as an Investment Entity, the Fund will not be required to consolidate its investments, but rather measure at fair value and make additional financial statements disclosures on its investments in accordance with IFRS 12 Disclosures of Interests in Other Entities. However, where in certain circumstances a Fund may not meet the definition of an Investment Entity, it will be required to consolidate investment interest in accordance with IFRS 10 and make certain disclosures as required under IFRS 12. The Manager believes the Funds would qualify as Investment Entities under IFRS and therefore anticipates no impact to the financial statements as a result.

IFRS 13 Fair Value Measurement sets out the measurement and disclosure principles applicable for fair value measurements. If an asset or liability measured at fair value has a quoted bid and ask price, fair value must be determined based on a price within the bid-ask spread, whichever is most representative of fair value. The standard permits the Funds to choose a policy of using bid, ask, mid-market pricing or other pricing conventions that are used by market participants. Thus this standard may impact the Net Assets per unit for financial statement reporting purposes compared to Net Asset Value per unit for transactional purposes. The Manager is currently assessing the Funds' fair value measurement policy choices to determine the impact on the Funds' Net Assets.

The criteria contained within IAS 32 Financial Instruments Presentation may require security holders' equity to be classified as a liability within the Funds' Statements of Net Assets, unless certain conditions are met. In circumstances where the conditions are met to reflect security holders' equity as equity, the Funds will also be required to separately disclose retained earnings, other reserves and security holders' paid up capital. The Manager is currently assessing each Fund's security holder structure to confirm classification.

Related Party Transactions

The Manager of the Fund is responsible for managing all of the Fund's activities, including investment advisory and portfolio management services under a Management Agreement. The Management Agreement is subject to automatic renewal for additional one year terms. The Management Agreement may be terminated during its term if the Manager defaults in its performance of any of its duties or obligations thereunder and the holders pass a resolution at a meeting of holders terminating the Management Agreement as a result of such default. Further, the holders of a Fund may, by resolution passed at a meeting of holders at least 180 days before the end of the initial term or each anniversary thereof, elect not to renew the Management Agreement, whereupon the Management Agreement will not be renewed beyond its existing term. The Manager must give the holders and the Trustee at least 180 days' notice of its intention not to renew a Management Agreement. Management fees are paid by each class at the rates set out under "Management Fees" below.

During the year, \$167,750 in management fees (including HST) was paid to the Managers. The Manager is also the trustee of the Fund and responsible for certain aspects of the day-to-day administration. The Fund reimbursed the Managers for operating costs (including HST) incurred in administering the Fund of approximately \$84,492.

Management Fees

The Fund pays an annual fee equal to 2.50% of the average total NAV of Class A units and 1.25% of the average total NAV of Class F units to the Manager. Management fees for Class I and O units are negotiated directly with each investor. This fee is calculated daily and is based on the Fund's ending total NAV per class; cumulative daily totals are then paid on a weekly basis.

Of the management fees paid by the Fund to the Managers for Class A units, approximately 33.65% was used to pay for sales and trailer commissions and 66.35% was for portfolio management services.

Of the management fees paid by the Fund to the Managers for Class F units, 100.00% was for portfolio management services. No sales and trailer commissions are paid in respect of Class F units.

There have been no subscriptions of Class I and O units of the Fund since their initial launch.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. The information is derived from the Fund's audited annual financial statements.

Marquest Small Companies Fund (Class A)*					
Net Assets per Unit (\$) ⁽¹⁾					
	2013	2012	2011	2010	2009
Net assets, beginning of the year ⁽²⁾	11.23	14.27	17.49	12.56	7.75
Increase (decrease) from operations:					
Total revenue	0.09	0.06	0.02	0.20	0.02
Total expenses	(0.58)	(0.56)	(0.74)	(0.46)	(0.45)
Realized gains (losses) for the year	(6.17)	(2.39)	2.74	0.78	(1.77)
Unrealized gains (losses) for the year	6.10	0.22	(4.16)	3.78	6.99
Total increase (decrease) from operations ⁽²⁾	(0.56)	(2.67)	(2.14)	4.30	4.79
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	-	-	-
Net assets at December 31st of year shown	10.60	11.23	14.27	17.49	12.56

Notes:

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements. In accordance with securities laws and industry practice, the Fund uses closing reported prices for the purposes of determining net asset value, however the Fund is required to use bid prices (for investment held) and ask price (for investments sold short) for the fair valuation of investments under GAAP in calculating net assets per unit.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or re-invested in additional units of the Fund.

*Class A units were first issued on September 27, 2004.

Marquest Small Companies Fund (Class F)*					
Net Assets per Unit (\$) ⁽¹⁾					
	2013	2012	2011	2010	2009
Net assets, beginning of the year ⁽²⁾	12.34	15.48	18.71	13.27	8.08
Increase (decrease) from operations:					
Total revenue	0.09	0.06	0.01	0.20	0.02
Total expenses	(0.40)	(0.38)	(0.51)	(0.30)	(0.33)
Realized gains (losses) for the year	(6.88)	(2.37)	4.68	0.83	(1.78)
Unrealized gains (losses) for the year	6.68	(0.15)	(3.77)	4.08	7.26
Total increase (decrease) from operations ⁽²⁾	(0.51)	(2.84)	0.41	4.81	5.17
Distributions:					
From income (excluding dividends)	-	-	-	-	-
From dividends	-	-	-	-	-
From capital gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions ⁽³⁾	-	-	-	-	-
Net assets at December 31st of year shown	11.81	12.34	15.48	18.71	13.27

Notes:

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements. In accordance with securities laws and industry practice, the Fund uses closing reported prices for the purposes of determining net asset value, however the Fund is required to use bid prices (for investment held) and ask price (for investments sold short) for the fair valuation of investments under GAAP in calculating net assets per unit.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or re-invested in additional units of the Fund.

*Class F units were first issued on February 7, 2006.

FINANCIAL HIGHLIGHTS

Ratios and Supplemental Data					
Class A*	2013	2012	2011	2010	2009
Total net asset value (000's) ⁽¹⁾	\$ 4,658	\$ 8,144	\$ 16,047	\$ 28,076	\$ 24,758
Number of units outstanding ⁽¹⁾	436,470	704,563	1,079,296	1,598,624	2,029,202
Management expense ratio ⁽²⁾	4.09%	3.56%	3.88%	3.50%	3.72%
Management expense ratio before waivers or absorption ⁽⁵⁾	4.70%	4.14%	4.02%	3.50%	3.72%
Trading expense ratio ⁽³⁾	1.03%	3.13%	0.89%	0.75%	0.72%
Portfolio turnover rate ⁽⁴⁾	61.08%	16.57%	64.26%	64.75%	77.36%
Net asset value per unit ⁽¹⁾	\$ 10.67	\$ 11.56	\$ 14.87	\$ 17.56	\$ 12.20
Class F**	2013	2012	2011	2010	2009
Total net asset value (000's) ⁽¹⁾	\$ 48	\$ 147	\$ 293	\$ 861	\$ 678
Number of units outstanding ⁽¹⁾	4,078	11,553	18,181	45,817	52,628
Management expense ratio ⁽²⁾	2.60%	2.22%	2.55%	2.17%	2.41%
Management expense ratio before waivers or absorption ⁽⁵⁾	2.98%	2.58%	2.64%	2.17%	2.41%
Trading expense ratio ⁽³⁾	1.03%	3.13%	0.89%	0.75%	0.72%
Portfolio turnover rate ⁽⁴⁾	61.08%	16.57%	64.26%	64.75%	77.36%
Net asset value per unit ⁽¹⁾	\$ 11.89	\$ 12.71	\$ 16.12	\$ 18.79	\$ 12.88

Notes:

(1) The information is provided as at December 31st of the year shown.

(2) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) 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.

(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 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.

(5) Waivers and absorption of certain expenses associated with the Fund are at the Manager's discretion and may be terminated at any time.

*Class A units were first issued on September 27, 2004.

**Class F units were first issued on February 7, 2006.

ANNUAL COMPOUND RETURNS

The table below compares the annual compounded return of the Class A and F units of the Fund against the S&P/TSX Completion TR CAD index. This is a market capitalization weighted, total return index comprising of all stocks within the S&P/TSX Composite Index. It is calculated in Canadian dollars and is comprised of stock (equity) prices of small and mid-sized capitalized companies. It encompasses a broad spectrum of economic sectors and is a benchmark that is designed to measure equity market performance in Canadian markets. For performance purposes, the index assumes the reinvestment of all dividends.

As the index is made up of a group of securities from various asset classes and market capitalizations, it does not share the same holdings or the same weighted proportions as the Fund and compounded total returns between the two may differ. For greater in-depth discussion regarding the Fund's asset class holdings and performance over the year please see the "Results of Operations – Investment Portfolio" section of the MRFP. Unlike the index, the Fund must report performance net of all accrued fees and expenses, which dilute the actual Fund performance in relative comparison to the benchmark, which does not incur any types of fees/expenses. Generally, the Fund has underperformed the index.

	1 Year %	3 Years %	5 Years %	10 Years %	Since Inception %
Class A	-6.7%	-15.0%	5.7%	-	2.2%
S&P/TSX Completion TR CAD	12.2%	2.7%	15.8%	-	8.2%
Class F	-5.5%	-13.9%	7.1%	-	-4.8%
S&P/TSX Completion TR CAD	12.2%	2.7%	15.8%	-	4.9%

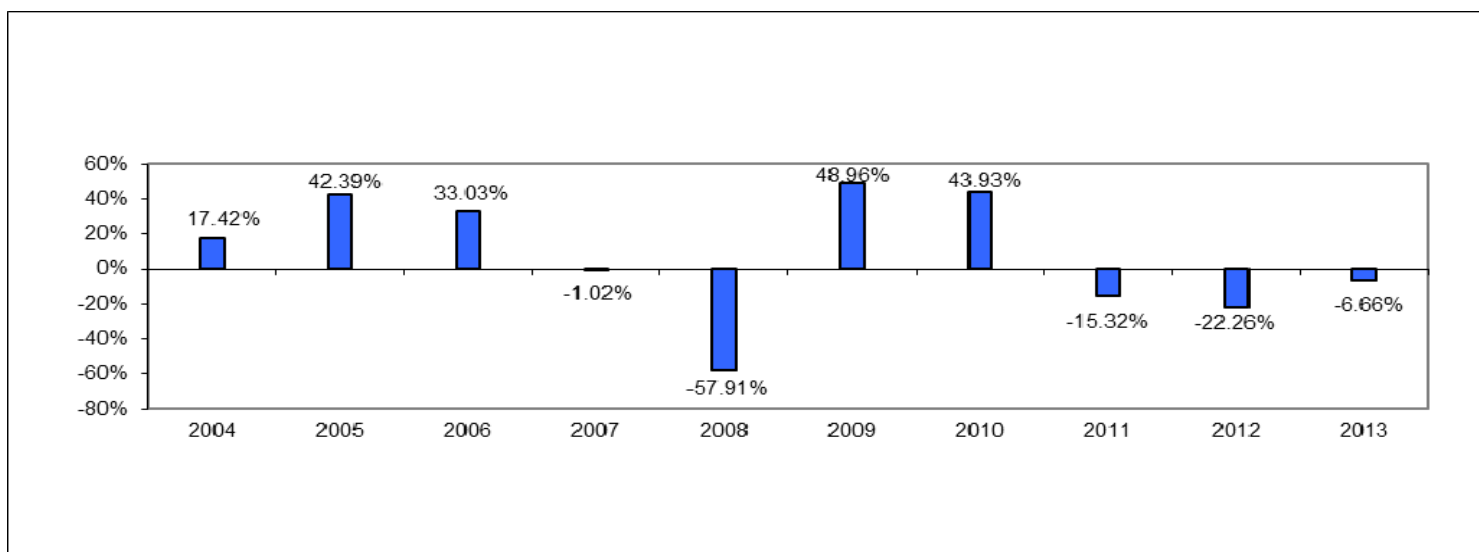
PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. How the Fund has performed in the past does not necessarily indicate how it will perform in the future. Performance differences between classes of units are mainly attributable to management fees charged to each class.

Year-by-Year Returns

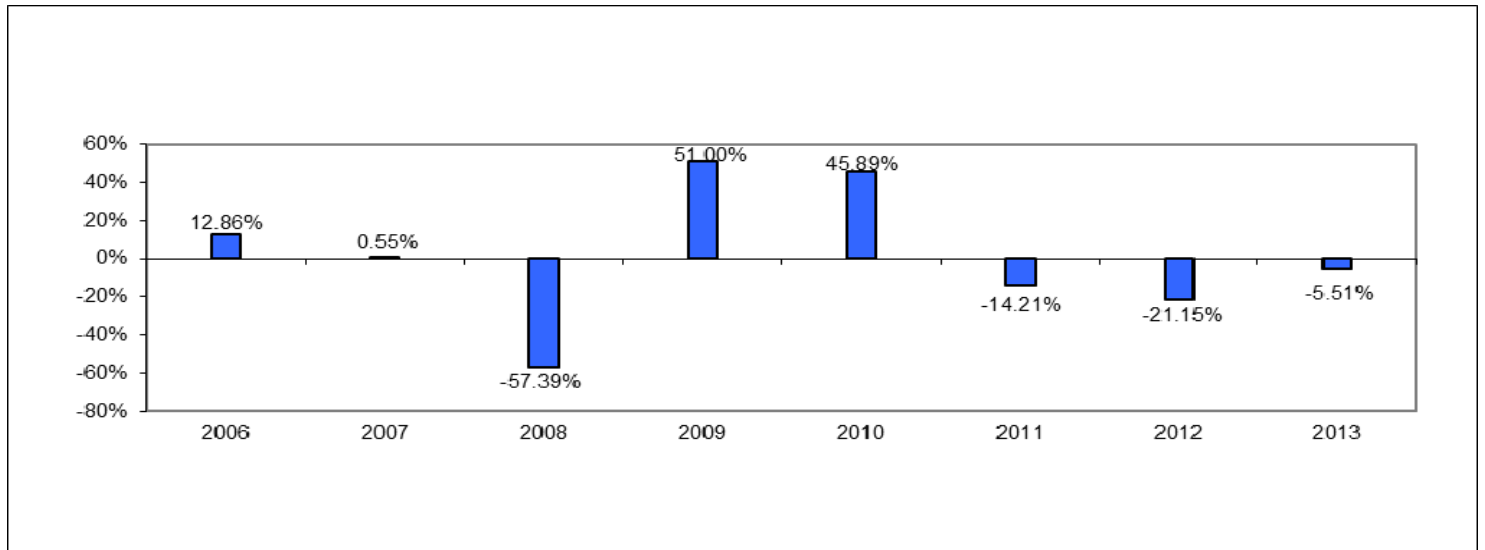
The following bar charts show the Fund's annual Class A and Class F units performance for each of the periods shown, and illustrates how the Fund's performance has changed from year to year. In percentage terms, the bar chart shows how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year or interim period, as applicable.

Class A



* Inception date for Class A units was September 27, 2004.

Class F



* Inception date for Class F units was February 7, 2006.

TORONTO

161 BAY STREET
SUITE 4420, P.O. BOX 204
TORONTO, ON M5J 2S1
PHONE 416.365.4077
TOLL FREE 1.888.964.3533

MONTREAL

1155 UNIVERSITY STREET
SUITE 905
MONTREAL, QC H3B 3A7
PHONE 514.227.0666
TOLL FREE 1.866.687.9363

VANCOUVER

1055 WEST HASTINGS STREET
SUITE 300
VANCOUVER, BC V6E 2E9
PHONE 604.895.7281



www.marquest.ca