



2020 ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

BRISTOL GATE CONCENTRATED CANADIAN EQUITY ETF (BGC) (the "ETF")

For the 12-month period ended December 31, 2020 (the "Period")

Manager: Bristol Gate Capital Partners Inc. (the "Manager" and "Portfolio Manager")

This Annual Management Report of Fund Performance (the "MRFP") contains financial highlights but does not contain the annual financial report of the ETF. You can get a copy of the annual financial report at your request at no cost, by calling 416-921-7076, by writing to us at Bristol Gate Capital Partners Inc., 45 St. Clair Avenue West, Suite 601, Toronto, ON, M4V 1K9 or by visiting our website at www.bristolgate.com or SEDAR at www.sedar.com.

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

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to generate long-term growth of income and capital by investing primarily in a concentrated portfolio of publicly-traded equity securities of Canadian companies that are expected to pay a growing dividend.

In order to achieve its investment objective, the ETF invests in dividend-paying equity securities selected primarily from the S&P/TSX Composite Index. The ETF may also invest up to 10% of its NAV, at the time of purchase, in dividend-paying equity securities that are part of the MSCI ACWI Index, a recognized global equity index. The ETF invests in a concentrated portfolio of securities. The number of portfolio holdings usually ranges between 20 and 30 different securities. The securities held in the portfolio are actively managed by the Portfolio Manager. Approximately every three months subject to market conditions and Manager discretion with respect to specific timing, the portfolio is rebalanced so that all of the securities in the portfolio are roughly equally weighted at that time.

The ETF typically invests in securities of companies in six or more industry sectors. The Portfolio Manager uses its proprietary quantitative methodology (the "Methodology") to identify investment opportunities that exhibit the largest expected dividend growth over the next year. Fundamental analysis is performed to confirm the results of the quantitative methodology and to make the final selection of the portfolio holdings.

Risk

The risks of investing in the ETF remain as discussed in the Prospectus. There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period.

Results of Operations

The ETF's net assets increased from \$12.58 million at the end of 2019, to \$17.30 million as of December 31, 2020. The increase was primarily due to net investor subscriptions.

The S&P/TSX Composite started 2020 off strong, rising 5% to mid-February. It then fell 37% between February 19 and March 23 as COVID-19 began wreaking havoc with global markets and economies. Recognizing the significant economic risk and with the memory of the damage the financial crisis caused still relatively vibrant, governments and central banks responded aggressively with historic monetary and fiscal stimulus. Markets reacted and the S&P/TSX Composite rallied 50% from the March 23 low to the end of August. From there returns seesawed; dropping more than 7% over a two-month period before the market finished the year off with a 12% run over the final two months, reflecting a potential economic recovery with the arrival of COVID-19 vaccines, the conclusion of the US election and the impact of the earlier, unprecedented stimulus. When all was said and done, the S&P/TSX Composite rose 5.6% for the year, including a 55% gain from the bottom in March.

More than half of the TSX's total return was due to Shopify Inc, which finished the year rising 178% and becoming one of the largest weights in the Index in the process. Shopify does not pay dividends, remaining outside of the ETF's investable universe. The second-best performing sector was the Materials sector, with gold mining companies benefiting from the rising price of the commodity. Barrick Gold alone contributed over 0.5 percentage points to the TSX's annual return. Simply put, diversification hurt returns in 2020.

The ETF gained 0.88% for the year, trailing the S&P TSX Composite Total Return Index® by approximately 470 basis points. Sector allocation had a positive effect, led by being overweight in the Technology sector. Security selection had a negative impact, primarily in the Technology sector, as non-dividend payer Shopify significantly outperformed the sector.



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Currency had a minor effect, as the Canadian dollar appreciated versus the US dollar, hurting the CAD return of the portfolio's two unhedged US positions.

On an absolute basis, top contributors to performance were Stella Jones, Canadian Pacific Railway and Enghouse Systems, while NFI Group, ONEX and Canadian Natural Resources were the largest detractors. On a relative basis compared to the Index, Stella Jones, Intact Financial and UnitedHealth Group were the largest contributors, while Canadian Natural Resources, TC Energy and Open Text were the largest detractors.

At the end of the first quarter, NFI Group and Canadian Natural Resources were divested because of forecasted dividend growth falling below our hurdle rate. At the beginning of the second quarter, we added Telus, Waste Connections and TMX Group, replacing ONEX Corporation, Magna International and Bank of Nova Scotia.

Telus, one of the big three national telecommunication carriers in Canada, is well positioned to capitalize on the increasing mobile data demand and the transition to a 5G network. Waste Connections is one of the largest integrated waste haulers in North America. The solid waste services industry is large, yet still very fragmented, and has performed well throughout the economic cycles. TMX Group is the leading exchange in Canada that also offers data-driven solutions. The recurring revenue from these services has increased substantially in recent years, improving revenue visibility.

At the end of the second quarter CAE Inc. was replaced by FirstService. CAE suspended its dividend following a significant reduction in air travel, resulting in lower need for pilot training. First Service is a North American leader in the real estate services business, another large but very fragmented industry. Management has successfully grown the business through a combination of organic growth and strategic acquisitions, while maintaining significant insider ownership.

No further position changes took part in 2020.

The portfolio was rebalanced in March, June, and September.

Recent Developments

The Portfolio Manager's research has demonstrated that higher total returns can be achieved by owning stocks with higher dividend growth. The top dividend growers have consistently outperformed the broad Canadian market. The Portfolio Manager does not believe this has changed because of COVID-19. For the year, the portfolio companies at year end on average delivered 14.5% dividend growth (median 9.8%), well ahead of the TSX's cash dividend increase of 1.0% (median constituent increase 2.9%). 2020 proved to be a more challenging year for dividend paying companies in the broader Index, with a number of dividend payers either holding their dividends constant or outright cutting them.

If vaccines, stimulus and savings are the seeds for a broad economic recovery, the Portfolio Manager believes the concentration of returns in 2020 will also broaden in 2021 and its opportunities to produce higher dividend growth will expand going forward.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

Bristol Gate Capital Partners Inc. is registered as a portfolio manager and exempt market dealer in the provinces of Ontario, Quebec, Alberta, British Columbia and Manitoba and is also registered as an investment fund manager in the Provinces of Ontario and Quebec.

The company is also registered with U.S. Securities and Exchange Commission as an investment advisor under the Investment Advisors Act of 1940. It is the Manager, Trustee and Portfolio Manager of the ETF. Bristol Gate is responsible for the ETF's day-to-day operations and provides investment advice and portfolio management services to the ETF. Bristol Gate is only paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued daily and is based on a percentage of the net asset value of the ETF.

The ETF paid management fees to the Manager, inclusive of HST, of \$128,284 for the Period.

The Manager has chosen to absorb certain operating expenses for which the ETF is responsible.



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The Manager has appointed the Independent Review Committee (IRC) established under the Canadian Securities Administrators’ National Instrument 81-107 Independent Review Committee for Investment Funds. The mandate of the IRC is to review and provide recommendations or approval, as required, regarding certain conflict of interest matters referred to it by the Manager on behalf of its managed ETFs. The IRC consists of three members, all of whom are independent of the Manager. Members of the IRC receive fees for services rendered. These fees and expenses, plus associated legal and insurance costs, are allocated among the ETFs managed by the Manager. During the period, the ETF did not rely on a positive recommendation, or approval, of the IRC with respect to any related party transactions.

Management Fees

The ETF pays a management fee, plus applicable taxes, to the Manager based on the annual rate of 0.70%, before GST/HST, of the net asset value of the ETF. This management fee is calculated and accrued daily and payable on the last Valuation Date of each month or on such date as the manager may determine.

The management fee for the ETF compensates the Manager for providing portfolio advisory and investment management services to the ETF and for providing or arranging for other managerial and administrative services to the ETF including: arranging for payment of operating expenses; providing office space, facilities and personnel; preparing financial and tax information; preparing and providing financial statements, MRFPs and other required reports to unitholders; ensuring compliance with regulatory and exchange listing requirements; determining distributions; communicating with unitholders and calling meetings of unitholders; administering the purchase, exchange and redemptions of ETF units; and contracting with third party providers of services to the ETF.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF’s financial performance for each of the fiscal periods presented below. For the period ended December 31, 2018 (the ETF was established in 2018), the “period” is from February 15 to December 31, 2018.

Net Assets Per Unit (in Canadian Dollars) ¹

	December 31, 2020	December 31, 2019	December 31, 2018
Net assets, beginning of period	\$22.87	\$18.56	\$20.00
Increase (decrease) from operations:			
Total revenue	\$0.50	\$0.51	\$ 0.41
Total expenses [excluding distributions]	(\$0.19)	(\$0.19)	(\$0.15)
Realized gains (losses) for the period	(\$1.16)	\$0.32	\$0.22
Unrealized gains (losses) for the period	\$1.51	\$3.87	(\$3.47)
Total increase (decrease) from operations	\$0.66	\$4.51	(\$2.99)
Annual distributions:			
From Income (Excluding Dividends)	\$0.00	\$0.00	\$0.00
From Dividends	\$0.26	\$0.21	\$0.10
From Capital Gains	\$0.00	\$0.22	\$0.14
Return of Capital	\$0.00	\$0.00	\$0.00
Total annual distributions ²	\$0.26	\$0.43	\$0.24
Net assets, end of period ³	\$23.07	\$22.87	\$18.56

- This information is derived from the ETF’s audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value calculated for ETF pricing purposes. An explanation of any differences can be found in the notes to the financial statements.*
- The ETF made distributions on a notional basis. A notional distribution is when the units from a reinvested distribution are immediately consolidated with the units held prior to the distribution and the number of units held after the distribution is identical to the number of units held before the distribution.*
- 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. This table is not intended to be a reconciliation of beginning to ending net assets per unit.*



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Ratios and Supplemental Data (in Canadian Dollars)

	December 31, 2020	December 31, 2019	December 31, 2018
Total net asset value (000's)	17,304	12,578	7,423
Number of units outstanding ¹	750,000	550,000	400,000
Management expense ratio ²	0.85%	0.85%	0.84%
Management expense ratio before waivers or absorptions ²	1.72%	2.86%	3.13%
Portfolio turnover rate ³	81.71%	64.58%	25.84%
Trading expense ratio ⁴	0.02%	0.01%	0.01%
Net asset value per unit	\$23.07	\$22.87	\$18.56
Closing market price - BGC	\$23.18	\$22.85	\$18.46

- This information is as of December 31 for the year indicated.
- The management expense ratio (“MER”) is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. The Manager may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption of certain operating expenses by the Manager, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by the Manager. Administration expenses for the first six months from the ETF launch date were waived by the ETF administrator.
- The ETF's portfolio turnover rate indicates how actively the ETF's Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF 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 ETF.
- The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

PAST PERFORMANCE

The performance information assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF. The past performance does not

take into account sales, redemption, distribution or other optional charges or income taxes payable by the unitholders that, if applicable, would have reduced returns or performance. How the ETF performed in the past does not indicate how it will perform in the future.

Year-by-Year Returns¹

The chart shows you the ETF's annual historical return since inception.



*Return from inception date of February 15, 2018 to December 31, 2018

- Annual return is the percentage change in the value of an investment from January 1 to December 31, unless otherwise noted. The chart shows, 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 each financial year.

Annual Compound Returns

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2020, compared with the following benchmark:

S&P TSX Composite Total Return Index[®]

	Since Inception	Past 5 Years	Past 3 Years	Past 1 Year
Fund	5.1%	-	-	0.9%
Benchmark	7.8%	-	-	5.6%

Benchmark Description

The S&P/TSX Composite[®] Total Return Index measures the performance of the broad Canadian equity market, including dividend re-investment, in Canadian dollars.



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SUMMARY OF INVESTMENT PORTFOLIO

Asset Allocation

	% of Net Asset Value
Equities	99.16%
Cash	0.67%
Other assets less liabilities	0.17%
Total	100%

Sector Allocation

	% of Net Asset Value
Financials	22.64%
Industrials	17.57%
Information Technology	12.16%
Materials	9.11%
Communication Services	8.52%
Consumer Staples	8.12%
Energy	7.65%
Health Care	4.72%
Real Estate	4.34%
Consumer Discretionary	4.33%
Other assets less liabilities	0.84%
Total	100%

Geographic Allocation

	% of Net Asset Value
Canada	90.12%
United States	9.04%
Other assets less liabilities	0.84%
Total	100%

Top Holdings

	Issuer	% of Net Asset Value
1	Brookfield Asset Management Inc. Class A	4.99%
2	Toromont Industries Ltd.	4.91%
3	Toronto-Dominion Bank	4.88%
4	CCL Industries Inc. Class B	4.83%
5	UnitedHealth Group Inc.	4.72%
6	Royal Bank of Canada	4.59%
7	Canadian Pacific Railway Ltd.	4.56%
8	TELUS Corp.	4.41%
9	FirstService Corp	4.34%
10	Dollarama Inc.	4.33%
11	Intact Financial Corp.	4.33%
12	Visa Inc. Class A	4.32%
13	Stella-Jones Inc	4.28%
14	Open Text Corp.	4.26%
15	Premium Brands Holdings Corp.	4.22%
16	Enbridge Inc.	4.15%
17	Canadian National Railway Co.	4.14%
18	Quebecor Inc.	4.12%
19	Waste Connections Inc.	3.96%
20	Alimentation Couche-Tard Inc. Class B	3.90%
21	TMX Group Ltd.	3.85%
22	Enghouse Systems Ltd.	3.57%
23	TC Energy Corp.	3.50%
	Total	99.16%

The summary of investment portfolio may change due to the ETF’s ongoing portfolio transactions and a quarterly update is available at www.bristolgate.com.

The sectors referenced in the above Sector Allocation table are based on the Global Industry Classification Standard. The Global Industry Classification Standard (“GICS”) was developed by and is the exclusive property and a service mark of MSCI Inc. (“MSCI”) and S&P Global Market Intelligence (“S&P”) and is licensed for use by Bristol Gate Capital Partners Inc. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without



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A NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Management Report of Fund Performance may contain forward-looking statements including, but not limited to, statements about the ETF, its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events and conditions or include words such as “may”, “could”, “would”, “should”, “expect”, “anticipate”, “intend”, “plan”, “believe”, “estimate” and similar forward-looking expressions or negative versions thereof.

These forward-looking statements are subject to various risks and uncertainties, including the risks described in the Prospectus of the ETF, uncertainties and assumptions about the ETF, capital markets and economic factors, which could cause actual financial performance and expectations to differ materially from the anticipated performance or other expectations expressed. Economic factors include, but are 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.

Readers are cautioned not to place undue reliance on forward-looking statements and consider the above-mentioned factors and other factors carefully before making any investment decisions. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith. Forward-looking statements are not guarantees of future performance, and actual results could differ materially from those expressed or implied in any forward-looking statements made by the ETF. The Manager has no specific intention of updating any forward-looking statements whether as a result of new information, future