



2021 INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
BRISTOL GATE CONCENTRATED US EQUITY ETF (BGU) (the “ETF”)
For the 6-month period ended June 30, 2021 (the “Period”)
Manager: Bristol Gate Capital Partners Inc. (the “Manager” and “Portfolio Manager”)

This Interim Management Report of Fund Performance (the “MRFP”) contains financial highlights but does not contain the interim or annual financial statements of the ETF. You can get a copy of the interim financial report or the annual financial statements 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

Results of Operations

The ETF’s net assets increased from \$150.3 million at December 31, 2020, to \$190.4 million as of June 30, 2021. The increase was due to a combination of net subscriptions and investment appreciation.

The trailing 12 month median dividend growth of the portfolio companies was 13.5% in USD terms at quarter end. This compared to the S&P 500’s 5.0% median dividend growth (refer to Disclosure section of this document for benchmark description).

Year to date market returns have been dominated by a “dash for trash”, with lower profitability companies providing the highest returns thus far. Q2 saw a slight reversal of this trend with the higher profitability quality, growth and momentum factors all gaining back some ground. These are factors that have commonly been well represented in the portfolio of high dividend growers.

Year to date results were consistent with the Index’s, with the ETF’s CAD units gaining 11.4% for the six months, slightly behind the S&P500 Total Return Index® in Canadian dollars which posted a 12.2% gain.

Relative to the benchmark, Applied Materials, Intuit and Home Depot were the largest contributors. From a sector standpoint, limited to no exposure in the Utilities and Consumer Staples

sectors had a positive contribution. Activision, Thermo Fisher and Mastercard were the biggest individual relative detractors. From a sector standpoint, no exposure to the Energy sector hurt relative performance as did most of the ETF’s factor exposures such as profitability and growth.

On an absolute basis, Applied Materials, Intuit, and Moody’s were our largest contributors. Thermo Fisher, Tyson and Mastercard were the largest detractors.

Two changes were made to the portfolio during the first half of the year. In January, Thermo Fisher and Applied Materials were added to the portfolio, being funded by sales of Danaher and Tyson Foods, respectively. All stocks were brought back to approximately equal weights in early January and April.

Recent Developments

Factors and sectors that have worked best through the first half of the year have some of the highest correlations to economic growth. The Manager cannot help but ask what happens to their relative performance as the supernormal economic growth coming out of a recessionary bottom reverts to the mean?

The Manager believes the ETF is well positioned for the next phase of the economic recovery yet still maintains defensive characteristics within the portfolio for any potential disruptions along the way. The types of companies that the Manager attempts to invest in – sustainable high dividend growers, being driven by strong fundamentals – have less correlation to the economic cycle because they are often driven by secular themes that are somewhat independent of the broader economy. Take the mega trend related to digitization and datafication (exposure through Broadcom, Microsoft, Moody’s and VISA among others). It did not stop during the COVID recession, the trend intensified.

The spread between the dividend yield of the ETF and that of the S&P 500 Index is near historical low levels. In prior periods, relatively tight dividend yield spreads to the market have generally resulted in reasonably strong subsequent relative performance for the strategy.

Although past performance is no guarantee of future results, with a tight dividend yield spread to the market and quality trading at discounts not seen since the dot com bust, the



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Manager believes the portfolio is attractively valued considering the opportunities the companies it holds have ahead of them. The Manager estimates the portfolio is trading at a substantial discount to the market on a FCF yield basis despite lower capital intensity, higher margins, better returns, and more sustainable growth in their view.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

Bristol Gate Capital Partners Inc. (“Bristol Gate”) 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.

Bristol Gate is also registered with the U.S. Securities and Exchange Commission as an investment advisor under the Investment Advisors Act of 1940. Bristol Gate 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 \$650,791 for the Period.

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

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.



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Net Assets Per Unit – CAD Units (in Canadian Dollars)¹

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Net assets, beginning of period	\$29.47	\$27.18	\$21.30	\$20.00
Increase (decrease) from operations:				
Total revenue	\$0.18	\$0.41	\$0.45	\$0.34
Total expenses [excluding distributions]	(\$0.16)	(\$0.30)	(\$0.29)	(\$0.20)
Realized gains (losses) for the period	\$0.89	(\$1.34)	\$0.83	\$0.42
Unrealized gains (losses) for the period	\$2.47	\$3.77	\$3.81	(\$0.03)
Total increase (decrease) from operations	\$3.38	\$2.54	\$4.80	\$0.53
Annual distributions:				
From Income (Excluding Dividends)		\$0.00	\$0.00	\$0.00
From Dividends		\$0.09	\$0.05	\$0.06
From Capital Gains		\$0.00	\$0.29	\$0.29
Return of Capital		\$0.00	\$0.00	\$0.00
Total annual distributions²		\$0.09	\$0.34	\$0.35
Net assets, end of period ³	\$32.84	\$29.47	\$27.18	\$21.30

Net Assets Per Unit – USD Units (in Canadian Dollars)¹

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Net assets, beginning of period	\$29.47	\$27.18	\$21.30	\$20.00
Increase (decrease) from operations:				
Total revenue	\$0.18	\$0.40	\$0.44	\$0.34
Total expenses [excluding distributions]	(\$0.16)	(\$0.30)	(\$0.29)	(\$0.22)
Realized gains (losses) for the period	\$0.86	(\$1.33)	\$0.74	\$0.35
Unrealized gains (losses) for the period	\$2.56	\$3.60	\$3.58	(\$0.36)
Total increase (decrease) from operations	\$3.44	\$2.37	\$4.47	\$0.11
Annual distributions:				
From Income (Excluding Dividends)		\$0.00	\$0.00	\$0.00
From Dividends		\$0.09	\$0.05	\$0.06
From Capital Gains		\$0.00	\$0.29	\$0.29
Return of Capital		\$0.00	\$0.00	\$0.00
Total annual distributions²		\$0.09	\$0.34	\$0.35
Net assets, end of period ³	\$32.84	\$29.47	\$27.18	\$21.30

1. This information is derived from the ETF's unaudited interim financial statements and 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.
2. 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.
3. 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 - CAD Units (in Canadian Dollars)

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000's)	87,015	75,161	50,277	10,651
Number of units outstanding ¹	2,650,000	2,550,000	1,850,000	500,000
Management expense ratio ²	0.85%	0.85%	0.85%	0.81%
Management expense ratio before waivers or absorptions ²	0.92%	0.92%	1.28%	2.13%
Portfolio turnover rate ³	19.54%	35.50%	52.65%	49.83%
Trading expense ratio ⁴	0.00%	0.01%	0.01%	0.01%
Net asset value per unit	\$32.84	\$29.47	\$27.18	\$21.30
Closing market price - BGU	\$32.89	\$29.32	\$27.11	\$21.19

1. This information is provided as at the end of the period shown.
2. 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 fund administrator.
3. 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.
4. 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.

Ratios and Supplemental Data - USD Units (in Canadian Dollars)

	Jun 30, 2021	Dec 31, 2020	Dec 31, 2019	Dec 31, 2018
Total net asset value (000's)	103,433	75,161	65,224	6,391
Number of units outstanding ¹	3,150,000	2,550,000	2,400,000	300,000
Management expense ratio ²	0.85%	0.85%	0.84%	0.92%
Management expense ratio before waivers or absorptions ²	0.91%	0.92%	1.16%	2.19%
Portfolio turnover rate ³	19.54%	35.50%	52.65%	49.83%
Trading expense ratio ⁴	0.00%	0.01%	0.01%	0.01%
Net asset value per unit	\$32.84	\$29.47	\$27.18	\$21.30
Net asset value per unit (in US Dollars)	\$26.52	\$23.14	\$20.96	\$15.60
Closing market price - BGU.U (in US Dollars)	\$26.46	\$23.00	\$20.85	\$15.28

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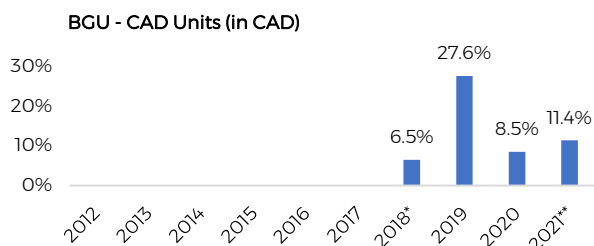
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PAST PERFORMANCE

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.

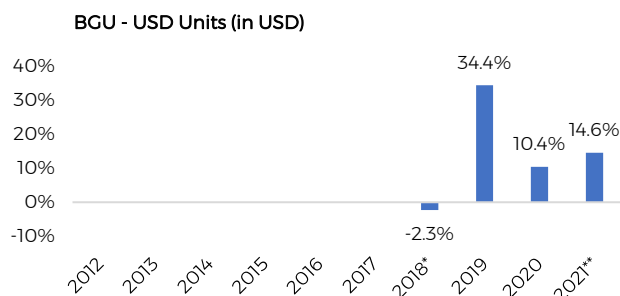
Year-by-Year Returns ¹

The charts show you the ETF Unit’s annual historical returns since inception.



*Return from inception date of February 15, 2018 to December 31, 2018
 ** Return from January 1, 2021 to June 30, 2021

1. 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.



*Return from inception date of February 15, 2018 to December 31, 2018
 ** Return from January 1, 2021 to June 30, 2021

1. 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.

SUMMARY OF INVESTMENT PORTFOLIO

Asset Allocation

	% of Net Asset Value
Equities	99.01%
Cash	1.04%
Other assets less liabilities	-0.05%
Total	100%

Sector Allocation

	% of Net Asset Value
Information Technology	35.28%
Health Care	14.01%
Industrials	13.89%
Consumer Discretionary	12.91%
Financials	9.35%
Real Estate	4.79%
Materials	4.55%
Communication Services	4.23%
Other assets less liabilities	0.99%
Total	100%

Geographic Allocation

	% of Net Asset Value
United States	99.01%
Other assets less liabilities	0.99%
Total	100%

Top Holdings

Issuer	% of Net Asset Value
1 Intuit Inc.	5.01%
2 Zoetis Inc. Class A	4.97%
3 Moody's Corp.	4.92%
4 American Tower Corp.	4.79%
5 Roper Technologies Inc.	4.76%
6 Cintas Corp.	4.62%
7 Sherwin-Williams Co.	4.55%
8 UnitedHealth Group Inc.	4.54%
9 Microsoft Corp.	4.52%
10 Allegion PLC	4.51%
11 Thermo Fisher Scientific Inc.	4.49%
12 Visa Inc. Class A	4.48%
13 Dollar General Corp.	4.47%
14 CME Group Inc.	4.43%



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15	Broadridge Financial Solutions Inc.	4.42%
16	Applied Materials Inc.	4.37%
17	Home Depot Inc.	4.26%
18	Activision Blizzard Inc.	4.23%
19	Texas Instruments Inc.	4.20%
20	Broadcom Inc.	4.19%
21	Starbucks Corp.	4.18%
22	Mastercard Inc. Class A	4.10%
Total		99.01%

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 limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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 events or otherwise, except as required by securities legislation.

DISCLOSURES

The S&P 500® Total Return Index measures the performance of the broad US equity market, including dividend re-investment, in Canadian dollars. This index is provided for information only and comparisons to the index has limitations. The benchmark is an appropriate standard against which the performance of the ETF can be measured over longer time periods as it represents the primary investment universe from which Bristol Gate selects securities. However, Bristol Gate’s portfolio construction process differs materially from that of the benchmark and the securities selected for inclusion in the ETF are not influenced by the composition of the benchmark. For example, the ETF is a concentrated portfolio of



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approximately equally weighted dividend-paying equity securities, rebalanced quarterly whereas the benchmark is a broad stock index (including both dividend and non-dividend paying equities) that is market capitalization weighted. As such, ETF performance deviations relative to the benchmark may be significant, particularly over shorter time periods. The ETF has concentrated investments in a limited number of companies; as a result, a change in one security’s value may have a more significant effect on the ETF’s value.