



Genus Dividend Equity Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2019

This Interim Management Report of Fund Performance contains financial highlights, but does not contain the complete interim financial statements and the annual financial statements of the Fund. You can get a copy of these financial statements at your request, and at no cost, by calling 1-800-668-7366 or by writing to us at 860 - 980 Howe Street Vancouver, British Columbia V6Z 0C8, or by visiting our website at www.genuscap.com/Financial-Reports-Prospectus 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.

Management Discussion of Fund Performance

Investment Objective and Strategies

The Fund's investment objective is to provide a lower volatility, higher yield investment solution. It follows an active total equity approach and invests in large-cap common stocks with a geographic home-based of 35% Canada and 65% global. The primary strategy employed is one of quantitative security selection, holding between 40 and 100 securities that are expected to outperform the target index as a whole.

This Fund offers a hybrid equity solution, which aims to provide moderate risk adjusted return from equity market exposure compared to fixed income assets, and a consistent positive cash inflow by maintaining a dividend yield of 4% or better. On top of the equity performance, the fund is also allowed to invest in money market instruments, futures/forward contracts, swaps, options, and other derivatives to manage cash flows, beta, and hedge currency exposure without creating leverage.

Genus Capital Management Inc. (the Fund's Manager) implements a quantitative multi-style stock discipline that examines factors in the areas of value, growth, expectation, momentum, quality and sustainability. In addition to high return potential and attractive yield, this strategy emphasizes stocks with lower beta and lower correlation characteristics. Geographical location is actively managed through our DynaMix process, which seeks to overweight attractive regions and underweight areas presenting more risk.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period and the risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value increased to \$285.2 million as at June 30, 2019 from \$262.7 million as at December 31, 2018. Over the past six months, the Fund's return was 7.9% versus the 13.7% benchmark. The Fund's return is after the deduction of expenses.

With equity markets pricing in central bank rate cuts for the end of the year, global stock markets extended their gains after a brief pullback in May. Central banks across the globe followed the lead of the US Federal Reserve (Fed) over the quarter, taking a dovish tone. One indication of this weakening is the Purchasing Managers Index (PMI). The index illustrates the strength of the manufacturing sector, and it fell below 50 for several countries; readings below 50 are viewed as evidence of slowing economic growth. The absence of inflation is leading investors to expect a soft landing for the economy and a central bank policy reversal.

The US has been busy on the trade front as negotiators kept up the pressure on trading partners. Talks with China began to break down early in the second quarter when Chinese officials pulled parts of the agreement, claiming that major policy and regulation overhauls were needed. The US retaliated with threats of tariffs on remaining Chinese exports. Despite the lack of meaningful progress, both leaders should be motivated to reach an agreement as they face pressures from domestic and global economic slowdowns.

For the Genus Dividend Equity fund, underweight in the IT sector has contributed negatively due to a limited investable universe that could satisfy the fund's objective to optimize dividend yield. On the other hand, stock selection in the Materials and Consumer Staples sector outperformed. For stock selection, the best performing stocks in the fund were Qualcomm Inc (IT) and Tyson Foods Inc. (Consumer Staples). The worst performing stocks were Swedbank AB (Financials) and Mitsubishi Corp. (Industrials).

Recent Developments

Considering the uncertainty surrounding US and China trade negotiations, and the potential for further deterioration in global economic leading indicators, we hold a more balanced view between equities and fixed income, and continue to favor the save haven commodity. From a country bets perspective, we still favour the US because of a change in tax policy implemented in early 2018 and the possibility US will lower interest rate to maintain growth in the absence of inflation. We are not overly optimistic about markets represented by the Europe, Australasia and the Far East (EAFE) Index thanks to a range of market-specific factors including trade tensions, no progress in Brexit negotiations, and the absence of monetary policy, with multiple euro zone countries at zero or sub-zero interest rates, to weather an economic recession. Market participants are also quite cautious on the energy market and deteriorating global growth indicators, and gave little to no credit to OPEC's effort to balance demand and supply.

In terms of sector exposures, we remain overweight in defensive sectors, including Utilities and Telecom. Among cyclical sectors, we believe the Material sector might regain some losses based on a broader shift to owning precious metals as fear of another downturn lurks around the market. We have shifted Energy back to neutral from underweight following OPEC-Russia's effort to monitor supply. Within the Financials sector, we tilted industry exposure away from US banks believing that there is a higher probability interest rate will fall. Finally, we remain underweight in Industrials and Health Care mainly to mitigate geopolitical risks.

Related Party Transactions

Genus Capital Management Inc. is the manager and portfolio advisor of the Fund and is responsible for the Fund's day-to-day operations. Genus Capital Management Inc. is considered a related party of the Fund. The Fund pays the Manager a management fee as compensation for its services in respect of Series F units. The annualized management fee for the Series F units is 0.65% (subject to applicable taxes). During the period ended June 30, 2019 the Series F units paid the Manager \$0 in management fees because no Series F units of the Fund have been sold since inception.

Management Fees

The Fund pays an annual management fee to the Manager to provide or arrange to provide management and administrative services in respect of Series F units. The fees are calculated based on a percentage of the net asset value of Series F units of the Fund on each valuation day and are paid on a monthly basis. The annualized management fee for the Series F units of the Fund is 0.65% (subject to applicable taxes). During the period ended June 30, 2019, the Series F units paid the Manager \$0 in management fees because no Series F units of the Fund have been sold since inception. In respect of Series O units, no management fees are paid by the Fund. The unitholder of Series O pays the Manager a negotiated management fee outside of the Fund.

Financial Highlights

The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit

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 applicable periods indicated. This information is derived from the Fund's audited annual financial statements. The Fund became a reporting issuer on October 23, 2017.

Series O <small>*Series O units are only offered by way of private placement</small>	2019 Jun 30	2018 Dec 31
Net asset value, beginning of period /year	\$ 133.03	\$ 145.26
Increase (decrease) from operations:		
Total revenue	2.83	5.82
Total expenses	(0.48)	(0.95)
Realized gains (losses) for the period /year	2.79	1.91
Unrealized gains (losses) for the period /year	5.25	(8.24)
Total increase (decrease) from operations⁽¹⁾	10.39	(1.46)
Distributions:		
From income (excluding dividends)	(0.14)	(0.15)
From dividends	(2.59)	(5.30)
From capital gains	-	(5.68)
Return of capital	-	-
Total Annual Distributions⁽²⁾	(2.73)	(11.13)
Net asset value, end of period /year	\$ 140.73	\$ 133.03

Series F (Inception October 23, 2017) <small>*No Series F units have been sold since inception</small>	2019 Jun 30	2018 Dec 31
Net asset value, beginning of period /year	\$ -	\$ -
Increase (decrease) from operations:		
Total revenue	-	-
Total expenses	-	-
Realized gains (losses) for the period /year	-	-
Unrealized gains (losses) for the period /year	-	-
Total increase (decrease) from operations⁽¹⁾	-	-
Distributions:		
From income (excluding dividends)	-	-
From dividends	-	-
From capital gains	-	-
Return of capital	-	-
Total Annual Distributions⁽²⁾	-	-
Net asset value, end of period /year	\$ -	\$ -

¹ Net assets attributable to holders of redeemable units 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 periods. These tables are not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

Financial Highlights (cont.)

Ratios and Supplemental Data

Series O *Series O units are only offered by way of private placement	2019 June	2018 Dec 31
Total net asset value	\$ 285,169,806	\$262,705,692
Number of units outstanding ⁽¹⁾	2,026,394	1,974,850
Management expense ratio ⁽²⁾	0.08%	0.10%
Management expense ratio before waivers or absorptions	0.08%	0.10%
Trading expense ratio ⁽³⁾	0.23%	0.25%
Portfolio turnover rate ⁽⁴⁾	43.87%	118.50%
Net asset value per unit	140.73	133.03

Series F (Inception October 23, 2017) * No Series F units have been sold since inception	2019 Jun 30	2018 Dec 31
Total net asset value	\$ -	\$ -
Number of units outstanding ⁽¹⁾	-	-
Management expense ratio ⁽²⁾	-	-
Management expense ratio before waivers or absorptions	-	-
Trading expense ratio ⁽³⁾	-	-
Portfolio turnover rate ⁽⁴⁾	-	-
Net asset value per unit	-	-

1 This information is provided as at June 30 and December 31 of the year shown; unless noted otherwise.

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 the 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 asset value 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.

PAST PERFORMANCE

The following charts show how the Fund has performed in the past, and can help you understand the risks of investing in the Fund. These returns include the reinvestment of all distributions and would be lower if an investor did not reinvest distributions. They do not include deduction of sales, switch, redemption, or other optional charges (which dealers may charge) or income taxes payable, and these returns would be lower if they did. The Fund's past performance does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period. The following bar chart shows the Fund's return of Series O units only. Investment performance in respect of Series F units is not available because no units of this series of the Fund have been sold since inception.



Summary of Investment Portfolio

As at June 30, 2019

Top 25 Investments

Holdings	Percentage of Net Asset Value of the Fund (%)
1 Cash	3.9
2 Royal Bank of Canada	3.5
3 The Toronto-Dominion Bank	3.1
4 National Bank of Canada	2.8
5 TC Energy Corp.	2.8
6 Fortis Inc.	2.6
7 International Business Machines Corp.	2.6
8 MetLife Inc.	2.6
9 SmartCentres Real Estate Investment Trust	2.5
10 Proximus SADP	2.5
11 Granite Real Estate Investment Trust	2.4
12 Rio Tinto PLC	2.3
13 Canadian Apartment Properties REIT	2.3
14 General Mills Inc.	2.3
15 BCE Inc.	2.2
16 Exelon Corp.	2.1
17 Allianz SE	2.1
18 BHP Group PLC	2.1
19 Darden Restaurants Inc.	2.1
20 AT&T Inc.	2.0
21 Algonquin Power & Utilities Corp.	2.0
22 Power Corp. of Canada	2.0
23 Roche Holding AG	2.0
24 CenterPoint Energy Inc.	2.0
25 TELUS Corp.	1.9
	60.7
Total Net Asset Value (000's)	\$285,170

Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Financials	22.2
Utilities	11.1
Communication Services	11.6
Energy	10.8
Health Care	7.4
Real Estate	9.6
Consumer Staples	7.6
Industrials	3.3
Information Technology	2.6
Consumer Discretionary	5.6
Materials	4.4
Cash and Cash Equivalents	3.8
	100.0

Asset Mix

	Percentage of Net Asset Value of the Fund (%)
Canadian Equities	39.3
U.S. Equities	33.5
International Equities	23.4
Cash and Cash Equivalents	3.8
	100.0

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at <https://genuscap.com/Financial-Reports-Prospectus>

This Management Report of Fund Performance may contain forward-looking statements relating to anticipated results or expectations. Forward-looking statements require us to make assumptions, and are subject to inherent risks and uncertainties. Forward-looking statements are not guarantees of future performance. We caution you not to place undue reliance on this report, as a number of factors could cause actual future results, or events to differ materially from expectations and estimates expressed or implied in any forward-looking statements. Actual results may differ from management expectations for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments. The above-mentioned list of factors is not exhaustive. You should carefully consider these factors and the inherent uncertainty of forward-looking statements before making any investment decisions. Further, you should be aware 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.