



Genus High Impact Equity Fund

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

For the period ended June 30, 2024

This Interim Management Report of Fund Performance contains financial highlights, but does not contain either the interim financial statements or the annual financial statements of the fund. You can get a copy of the interim financial statements or annual financial statements at your request, and at no cost, by calling 1-800-668-7366, by writing to us at 860 - 980 Howe Street, Vancouver, British Columbia V6Z 0C8, or by visiting our website at <https://genuscap.com/for-advisors/> or SEDAR+ at www.sedarplus.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.

Management Discussion of Fund Performance

Results of Operations

Investment Performance

The net asset value of the Genus High Impact Equity Fund (the Fund) increased to US\$106 million as of June 30, 2024, from US\$78 million at the end of 2023. The increase in net assets was attributable to an increase from operations of US\$5.5 million and net contributions of US\$22.4 million.

Over the first six months of 2024, the Fund's Series F units return was 6.54% versus 12.04% for the MSCI World Index. Unlike the benchmark, the Fund's return is net of the deduction of fees and expenses paid by the Fund. All performance values provided are in U.S. dollar terms.

During the first quarter of 2024, equity markets experienced strong performance, continuing to reflect last year's peak in interest rates and subsequent cuts. In USD terms, the MSCI World Index, S&P 500, and TSX rose by 9.01%, 10.56%, and 3.89% respectively. This robust performance, driven primarily by U.S. stocks, was bolstered by ongoing advancements in artificial intelligence (AI) and moderate economic data, which raised market expectations for a potential U.S. Federal Reserve interest rate cut in the near future. Unlike the previous year, where outperformance was dominated by the "Magnificent 7," this quarter saw a more diverse range of leading stocks. Momentum investing emerged as the clear winner, with investors favoring high-momentum, high-quality stocks across the board.

The equity markets ended the second quarter of 2024 on a high note after a dip in April, supported by a rebound and continued strength in technology and AI stocks. In USD terms, the MSCI World Index and S&P 500 increased by 2.78% and 4.28%, respectively, while the TSX saw a decline of 1.63%. Globally, the rebound in the latter half of the quarter was led by the Information Technology (IT) and Communication sectors, with AI-related stocks maintaining their leadership. In contrast, more economically sensitive sectors, such as Real Estate, Materials, and Industrials, lagged behind.

Environmental, Social and Governance Impact

The Fund seeks to invest most of its assets in sustainable and impactful securities. As such, the Fund excluded some industries and companies engaged in certain activities, such as those related to thermal coal, oil and gas, power generation, tobacco, weapons, gambling and adult entertainment. The Fund has also excluded companies that are involved in indigenous controversies, misaligned with United Nations Sustainable Development Goals (UNSDGs) related to reducing inequalities and gender equality, and severe biodiversity degradation, based on a proprietary Environmental, Social and Governance (ESG) rating system, irrespective of industry. In total, the Fund excluded approximately 1,200 stocks (out of nearly 1,500 stocks in its investible universe) during the period. Additionally, the Fund incorporates positive impact considerations when making investment decisions, scoring firms based on a proprietary net impact score.

Recent Developments

In June, central banks in Canada and Europe lowered their interest rates in response to decreasing inflation and a slowing global economy. In the US, falling inflation supports the case for potential U.S. Federal Reserve interest rate cuts in the latter half of 2024. This scenario suggests a "Goldilocks" economy, where inflation stabilizes near the 2% target, labor markets and consumers remain resilient, and the economy continues to grow slowly, indicating a potential soft landing.

The Purchasing Managers' Index (PMI) for both services and manufacturing ended the second quarter of 2024 in contractionary territory, below the consensus expectation. The service sector, expected to remain expansionary, was sluggish due to employment and new orders falling below 50 (contractionary territory). US consumer confidence also declined to its lowest levels in two years, despite a robust labor market. However, rising unemployment in the second half of the year could further impact confidence.

The AI sector, led by Nvidia, remained prominent in the second quarter of 2024, with strong performances from Broadcom, Arista Networks, Qualcomm, and Dell Technologies. Solid stock picks in IT contributed to the Fund's continued outperformance. Conversely, expectations of delayed Federal Reserve rate cuts amid sticky inflation weakened economically sensitive sectors like Energy and Materials, and higher borrowing costs impacted homebuilders. The Fund trimmed weaker names in these areas to realize gains, favoring large-cap, high-momentum, high-quality stocks with a slightly lower-than-market beta.

As we approach the second half of the year, the Fund is monitoring several key topics: potential economic slowdown, the durability of the AI sector's growth, and the impact of the upcoming US presidential election. Our strategy involves being slightly overweight in growth stocks with solid fundamentals while maintaining neutral positions in cyclical and defensive sectors. Given the expected gradual decline in inflation, the Fund will stay overweight in gold stocks. Geographically, the Fund favors the US, followed by the EAFE region, and remain underweight in Canada due to weaknesses in energy companies and Canadian banks.

Related Party Transactions

Genus Capital Management Inc. (the Manager) is the manager and portfolio advisor of the Fund and is responsible for the Fund's day-to-day operations. The Manager 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 six month period ended June 30, 2024, the Fund paid the Manager \$5 in management fees in respect of Series F units.

Financial Highlights

The Fund's Net Assets per Unit⁽¹⁾

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 ended December 31 and the six-month period ended June 30, 2024. The Fund was previously a reporting issuer from October 23, 2017 to September 6, 2019, and became a reporting issuer again on January 19, 2024.⁽²⁾

| Series F ⁽²⁾ | 2024 Jun 30 | 2023 Dec 31 | 2022 Dec 31 | 2021 Dec 31 | 2020 Dec 31 | 2019 Dec 31 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Net asset value, beginning of period | \$ 130.57 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 1.35 | - | - | - | - | - |
| Total expenses | (0.90) | - | - | - | - | - |
| Realized gains (losses) for the period | 7.34 | - | - | - | - | - |
| Unrealized gains (losses) for the period | (1.14) | - | - | - | - | - |
| Total increase (decrease) from operations⁽³⁾ | 6.65 | - | - | - | - | - |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | - | - | - | - |
| From dividends | - | - | - | - | - | - |
| From capital gains | - | - | - | - | - | - |
| Return of capital | - | - | - | - | - | - |
| Total Annual Distributions⁽⁴⁾ | - | - | - | - | - | - |
| Net asset value, end of period | \$ 137.53 | \$ - | \$ - | \$ - | \$ - | \$ - |

| Series O * | 2024 Jun 30 | 2023 Dec 31 | 2022 Dec 31 | 2021 Dec 31 | 2020 Dec 31 | 2019 Dec 31 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| * Series O units are only offered by way of private placement | | | | | | |
| Net asset value, beginning of period | \$129.05 | \$116.77 | \$130.01 | \$127.71 | \$108.34 | \$88.65 |
| Increase (decrease) from operations: | | | | | | |
| Total revenue | 1.46 | 2.41 | 2.54 | 2.91 | 1.75 | 2.09 |
| Total expenses | (0.32) | (1.30) | (0.89) | (1.16) | (0.70) | (0.99) |
| Realized gains (losses) for the period | 7.57 | 7.68 | (4.92) | 21.45 | 10.10 | 3.94 |
| Unrealized gains (losses) for the period | (0.22) | 12.59 | (8.14) | (5.32) | 16.71 | 16.90 |
| Total increase (decrease) from operations⁽³⁾ | 8.49 | 21.38 | (11.41) | 17.88 | 27.86 | 21.94 |
| Distributions: | | | | | | |
| From income (excluding dividends) | - | - | - | - | - | - |
| From dividends | - | (2.57) | (1.92) | (2.06) | (1.28) | (1.95) |
| From capital gains | - | (6.53) | - | (13.42) | (8.86) | - |
| Return of capital | - | - | - | - | - | - |
| Total Annual Distributions⁽⁴⁾ | - | (9.10) | (1.92) | (15.48) | (10.14) | (1.95) |
| Net asset value, end of period | \$137.89 | \$129.05 | \$116.77 | \$130.01 | \$127.71 | \$108.34 |

⁽¹⁾ This information is derived from the Fund's audited annual financial statements and unaudited interim financial statements.

⁽²⁾ Information in respect of Series F units is not available because no units of this series of the Fund have been issued between the inception date and December 31, 2023. The Fund was established on May 15, 2014. Prior to October 23, 2017, the Fund existed as a non-public mutual fund. From October 23, 2017 to September 6, 2019, the Fund offered Series F units publicly. The Fund ceased to offer Series F units to the public on September 6, 2019, and the Fund had existed as a non-public mutual fund since that date. As of January 19, 2024, the Fund became a public mutual fund again and since then has offered Series F units publicly.

⁽³⁾ Net assets attributable to holders of 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 the net assets per unit as set out in the Fund's financial statements.

⁽⁴⁾ Distributions are reinvested in additional units of the Fund or paid in cash.

Financial Highlights (cont.)**Ratios and Supplemental Data**

| Series F⁽¹⁾ | 2024 Jun 30 | 2023 Dec 31 | 2022 Dec 31 | 2021 Dec 31 | 2020 Dec 31 | 2019 Dec 31 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Total net asset value ⁽²⁾ | \$ 1,830 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Number of units outstanding ⁽²⁾ | 13 | - | - | - | - | - |
| Management expense ratio ⁽³⁾ | 0.79% | - | - | - | - | - |
| Management expense ratio before waivers or absorptions | 0.79% | - | - | - | - | - |
| Trading expense ratio ⁽⁴⁾ | 0.44% | - | - | - | - | - |
| Portfolio turnover rate ⁽⁵⁾ | 61.70% | - | - | - | - | - |
| Net asset value per unit | \$137.53 | - | - | - | - | - |

| Series O* | 2024 Jun 30 | 2023 Dec 31 | 2022 Dec 31 | 2021 Dec 31 | 2020 Dec 31 | 2019 Dec 31 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| * Series O units are only offered by way of private placement | | | | | | |
| Total net asset value ⁽²⁾ | \$106,261,207 | \$78,309,264 | \$63,132,147 | \$71,546,065 | \$52,396,131 | \$29,828,619 |
| Number of units outstanding ⁽²⁾ | 770,604 | 606,802 | 540,676 | 550,326 | 410,259 | 275,314 |
| Management expense ratio ⁽³⁾ | 0.22% | 0.25% | 0.22% | 0.20% | 0.35% | 0.50% |
| Management expense ratio before waivers or absorptions | 0.22% | 0.25% | 0.22% | 0.20% | 0.35% | 0.50% |
| Trading expense ratio ⁽⁴⁾ | 0.44% | 0.24% | 0.26% | 0.36% | 0.25% | 0.29% |
| Portfolio turnover rate ⁽⁵⁾ | 61.70% | 122.58% | 119.28% | 124.26% | 111.60% | 102.62% |
| Net asset value per unit | \$137.89 | \$129.05 | \$116.77 | \$130.01 | \$127.71 | \$108.34 |

⁽¹⁾ The information in respect of Series F units is not available because no units of this series of the Fund have been sold between the inception date and December 31, 2023. The Fund was established on May 15, 2014. Prior to October 23, 2017, the Fund existed as a non-public mutual fund. From October 23, 2017 to September 6, 2019, the Fund offered Series F units publicly. The Fund ceased to offer Series F units to the public on September 6, 2019, and the Fund had existed as a non-public mutual fund since that date. As of January 19, 2024, the Fund became a public mutual fund again and since then has offered Series F units publicly.

⁽²⁾ This information is provided as at the date shown.

⁽³⁾ 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.

⁽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.

⁽⁵⁾ 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 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.

Management Fees

The Fund pays the Manager a management fee as compensation for its services in respect of Series F units of the Fund. Management fees in respect of Series F units are calculated at 0.65% of the net asset value of Series F units of the Fund on each valuation day (plus applicable taxes) and are paid on a quarterly basis. During the six-month period ended June 30, 2024, the Fund paid the manager \$5 in management fees in respect of Series F units.

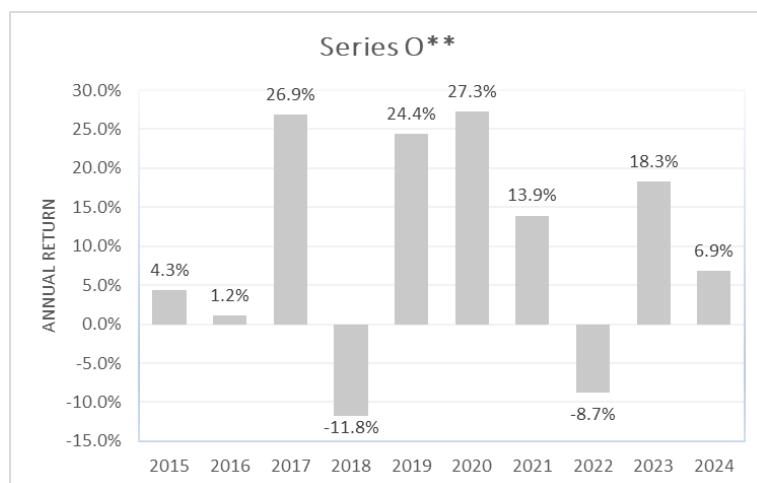
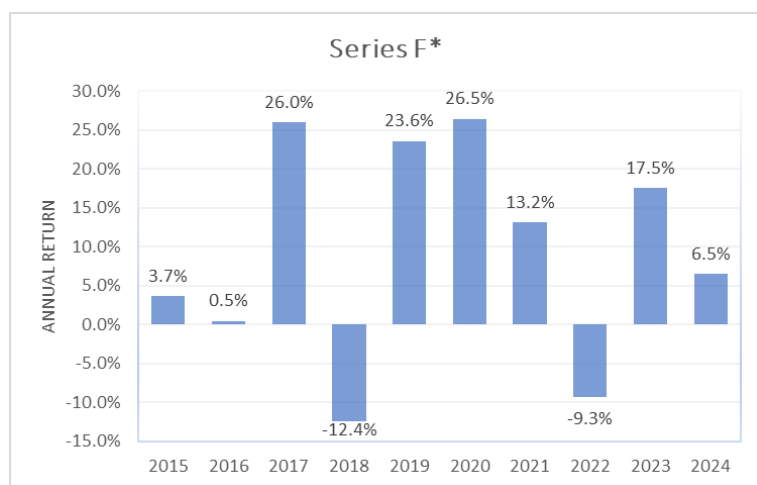
In respect of Series O units, no management fees are paid by the Fund. The unitholder of Series O pays the manager a negotiated management fee outside of the Fund.

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, distribution 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 following bar chart shows the Fund's return of Series F and Series O units, for each completed financial year which the Fund was a reporting issuer. 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 respective periods.



Note: For the 12-month period ended December 31 and the 6-month period ended June 30, 2024.

Summary of Investment Portfolio

As at June 30, 2024

Summary of investment portfolio

| Top 25 Holdings | Percentage of Net Asset Value (%) |
|--|--|
| NVIDIA Corp. | 5.2 |
| Sprouts Farmers Market Inc. | 5.0 |
| Pearson PLC | 4.8 |
| Azbil Corp. | 4.7 |
| Svenska Cellulosa AB SCA | 4.7 |
| Acuity Brands Inc. | 4.7 |
| Colgate-Palmolive Co. | 4.6 |
| Steel Dynamics Inc. | 4.6 |
| Alexandria Real Estate Equities Inc. | 4.6 |
| Dexcom Inc. | 4.4 |
| Merck & Co., Inc. | 4.2 |
| Berkeley Group Holdings PLC | 3.8 |
| Edwards Lifesciences Corp. | 3.8 |
| Dassault Systemes SE | 3.5 |
| Cisco Systems Inc. | 3.5 |
| International Business Machines Corp. | 3.4 |
| Fuji Electric Co., Ltd. | 3.3 |
| Eli Lilly & Co. | 2.9 |
| First Solar Inc. | 2.5 |
| CapitaLand Integrated Commercial Trust | 2.4 |
| Novo Nordisk A/S | 2.3 |
| Generac Holdings Inc. | 2.2 |
| Kubota Corp. | 2.0 |
| BorgWarner Inc. | 1.9 |
| Cash and Cash Equivalents | 1.6 |
| | 90.6 |
| Total Net Asset Value | \$106,263,037 |

Portfolio by Category

| Sector | Percentage of Net Asset Value (%) |
|--------------------------------|--|
| Information Technology | 22.8 |
| Health Care | 17.5 |
| Industrials | 15.5 |
| Consumer Staples | 11.0 |
| Consumer Discretionary | 10.6 |
| Materials | 9.3 |
| Real Estate | 7.7 |
| Utilities | 0.9 |
| Derivatives - Short | 0.4 |
| Derivatives - Long | - |
| Cash | 1.6 |
| Other Assets (Liabilities) | 2.7 |
| | 100.0 |
| Geographical Allocation | Percentage of Net Asset Value (%) |
| United States | 58.8 |
| Japan | 11.9 |
| United Kingdom | 10.1 |
| Sweden | 4.7 |
| France | 3.5 |
| Singapore | 2.4 |
| Denmark | 2.3 |
| Spain | 0.9 |
| Austria | 0.7 |
| Derivatives - Short | 0.4 |
| Derivatives - Long | - |
| Cash | 1.6 |
| Other Assets (Liabilities) | 2.7 |
| | 100.0 |

The Fund's investment portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates are available within 60 days of each quarter end where an annual or interim report is not published at <https://genuscap.com/for-advisors/>.

Other Material Information

The Fund has received exemptive relief from applicable Canadian securities regulatory authorities that permits the Fund to include in its sales communications, Fund Facts and annual and interim management reports of Fund performance data relating to Series F units for periods prior to the Fund becoming a reporting issuer. In addition, the exemptive relief permits the Fund to disclose performance data in sales communications and the Fund Facts for Series F units that shows how Series O units of the Fund have performed during periods in which the Fund was not a reporting issuer. Series O units have only been offered on a private placement basis. The relief is subject to certain conditions, including that the Fund provide investors with certain disclosure regarding the inclusion of performance data for periods prior to the Fund becoming a reporting issuer.

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.