



# Genus High Impact Equity Fund

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

For the year ended December 31, 2025

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This Annual Management Report of Fund Performance contains financial highlights, but does not contain complete annual financial statements of the Fund. You can get a copy of the 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](http://www.sedarplus.com). Unitholders may also contact us using one of these methods to request a copy of the Fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The Fund seeks to make positive social and environmental impacts in addition to generating better financial returns. This mandate focuses on investing in global companies who are leaders in areas of sustainability, such as: renewable energy, energy efficiency, green buildings, low negative impact products, as well as innovative companies in the healthcare, education, and technology sectors.

Companies that appear weak with respect to environmental, social and governance characteristics are excluded as an initial screen. For instance, all companies directly involved in extraction, processing and transportation of oil, gas and coal are excluded. Next, a sustainable thematic approach, which seeks to profit from the long-term trends that are unfolding, is applied. The Fund strives to thematically emphasize products and services that offer sustainable solutions to some of the world's biggest challenges.

Under applicable securities laws, the fundamental investment objective of the Fund may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. However, subject to certain restrictions under the trust agreement that governs the Fund, we may change the investment strategies described below at our discretion.

To achieve the Fund's investment objective, the portfolio advisor utilizes the following investing strategies. The Fund invests in a globally diversified portfolio of equity securities of companies which may be included in the S&P/TSX Composite and MSCI World Indexes. The Fund's portfolio reflects diversification by country and Global Industry Classification Standard (GICS) sector.

The primary investment strategy employed by the Fund is one of quantitative security selection whereby the Fund seeks to hold securities that are expected to outperform the target indices, net of expenses. The Fund employs negative and positive screening to arrive at an eligible universe of investable companies and subsequently applies quantitative security selection on the eligible universe. Negative screening strategies seek to exclude companies that fail to meet pre-defined criteria (as detailed below). In particular, the Fund's portfolio is restricted to issuers that conduct their affairs in a manner that meets the portfolio advisor's screening criteria in relation to specific environmental, social and governance (ESG) factors.

### Risk

This Fund is suitable for investors seeking long-term growth with a medium tolerance of risk. Throughout the reporting period, there were no significant changes to the investment objective and strategies impacting the Fund's overall risk profile. Consequently, the risks associated with investing in the Fund remain as discussed in the Fund's Simplified Prospectus. The general risks inherent in investing in this Fund, such as the potential reduction in investment value, liquidity risk, interest rate risk, and currency risk, among others, are delineated in the Fund's Simplified Prospectus.

### Results of Operations

#### Investment Performance

The Fund's net asset value increased to US\$131.3 million as of December 31, 2025, from US\$108.7 million at the end of 2024. The increase in net assets was attributable to an increase from operations of US\$21.8 million and net contributions of US\$0.75 million.

Over the past year, the Fund's Series O units return was 20.0% versus 21.6% 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, unless otherwise indicated.

The opening six months of 2025 brought considerable turbulence to global equity markets. The year began with equities in negative territory, as AI-themed stocks underperformed amid stretched valuations and mounting concerns about US tariff policies. While the Communications, Information Technology, and Consumer Discretionary sectors lagged, Energy, Utilities, and Financials outperformed. In Canadian dollar terms, the MSCI World Index and S&P 500 declined 1.5% and 4.2%, respectively, in Q1, though the TSX Composite managed a modest 1.5% gain. The Fund's structural overweight positions in Health Care, Materials, Industrials and Real Estate, which is a reflection of its impact-focused mandate, created headwinds to relative performance as these sectors underperformed points across the first half of the year.

The second quarter brought a sharp rebound in global equities, with AI-themed stocks leading the rebound following their earlier weakness. Communications, Information Technology, and Industrials sectors outperformed, while Energy, Health Care, and Real Estate lagged. The MSCI World Index, TSX, and S&P 500 rose 5.8%, 8.5%, and 5.1%, respectively, during the quarter, measured in Canadian dollar terms.

Equity markets extended their positive momentum through the third quarter, with US Information Technology and AI-themed stocks maintaining their strength. On a global basis, Consumer Discretionary, Financials and Materials sectors—Gold in particular—delivered outperformance, while Defensive sectors such as Health Care and Consumer Staples trailed the broader market. In Canadian dollar terms, the MSCI World Index advanced 9.5%, the TSX climbed 12.5%, and the S&P 500 gained 10.3% for the quarter.

The year concluded with continued growth in the fourth quarter. Sector leadership expanded beyond AI-focused names, as Health Care, Financials, Communication Services, and Materials all generated strong returns, whereas Real Estate, Consumer Discretionary, and Information Technology sectors declined. The TSX emerged as the top-performing index for the full year, driven by robust performance in Materials (particularly gold and metal miners) and Financials. For Q4, the MSCI World Index, TSX, and S&P 500 posted returns of 1.7%, 6.3%, and 1.1% respectively in Canadian dollar terms, bringing full-year gains to 15.9%, 31.9%, and 12.4%. Counter to the first half of the year, the Fund's overweight positions in Health Care, Utilities, and Industrials were meaningful contributors to active returns in the second half, as the sector's strong Q4 performance supported relative returns after a period of underperformance earlier in the year.

### Environmental, Social and Governance (ESG) 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

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

The third quarter witnessed continued momentum in global equity markets. US Information Technology and AI-themed stocks sustained their strength, extending the positive performance from the previous quarter. Gold defied the equity rally by climbing 16% during the quarter, supported by persistent central bank buying and heightened geopolitical tensions. Market participants remained focused on the potential for a global economic slowdown, unresolved trade disputes, and intensifying international conflicts. The US dollar weakened amid ongoing trade friction and expanding federal deficits—this occurred as the Federal Reserve reduced interest rates and projected further cuts through 2025 and 2026 in an effort to align with other major central banks.

Throughout the final quarter of 2025, geopolitical instability and stretched equity valuations kept investors seeking safe-haven assets. Meanwhile, the resilience of the US economy provided the Federal Reserve with room to lower rates gradually, which pressured the US dollar downward and supported gold prices. These factors, alongside robust demand from central banks worldwide, pushed gold prices even higher. The precious metal gained another 12% in Q4, finishing the year with a remarkable 64% advance that far exceeded equity market returns.

The S&P 500 hit fresh record highs during the quarter, yet its price-to-earnings ratio settled just above 22, suggesting that profit expectations have risen alongside stock prices. Current valuations also remain below the peaks seen prior to the market pullback earlier in 2025. After a robust year for corporate profits, analysts forecast continued momentum with earnings anticipated to expand 15% in 2026. However, despite this positive backdrop, the circular financing patterns among AI-related companies warrant attention. If this trend persists, it could signal that earnings forecasts are becoming detached from fundamental realities. Markets have largely overlooked tariff escalation risks and geopolitical tensions, demonstrating notable resilience. For equities to climb further in 2026, profit growth must remain aligned with valuations, market participation needs to widen, and leadership should rotate beyond 2025's dominant themes—likely shifting toward cyclical sectors and smaller-capitalization stocks.

The macroeconomic outlook for 2026 reflects guarded optimism tempered by ongoing uncertainties. Following three consecutive rate reductions in late 2025, the US Federal Reserve has adopted a more deliberate approach to policy easing. While the Fed's projections suggest just one additional cut in 2026 before rates settle near 3.0%, market expectations lean toward a more accommodative stance under incoming Fed leadership. Employment conditions present contrasting narratives: US job markets hold firm despite unemployment climbing to 4.6%, whereas Canada's declining unemployment rate conceals weakness in full-time positions, leading the Bank of Canada to pause adjustments while assessing evolving conditions. Economic trajectories differ notably between the nations. The US economy has shown durability through sustained consumer activity, although challenges from sticky inflation and fiscal uncertainty linger following the unprecedented 43-day government shutdown and enactment of the One Big Beautiful Bill Act. Conversely, Canada's tentative emergence from near-recessionary territory remains susceptible to trade policy outcomes and domestic political stability after the federal election. Elevated geopolitical risks, pending tariff negotiations, widening US budget deficits, and weakening consumer sentiment create an intricate landscape requiring vigilant oversight and may necessitate substantial adjustments to central bank forecasts throughout the year.

## 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 year ended December 31, 2025, the Series F units paid US\$15,518 in management fees as payable to the manager during the period.

**Financial Highlights**

**The Fund's Net Assets 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. 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. <sup>(1)</sup>

<b>Series F <sup>(2)</sup></b>	<b>2025 Dec 31</b>	<b>2024 Dec 31</b>	<b>2023 Dec 31</b>	<b>2022 Dec 31</b>	<b>2021 Dec 31</b>
<b>Net asset value, beginning of year</b>	\$124.86	\$ 130.57	\$ -	\$ -	\$ -
<b>Increase (decrease) from operations:</b>					
Total revenue	2.38	(1.73)	-	-	-
Total expenses	(1.76)	(7.51)	-	-	-
Realized gains (losses) for the period	8.79	49.51	-	-	-
Unrealized gains (losses) for the period	14.41	(163.00)	-	-	-
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>23.82</b>	<b>(122.73)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Distributions:</b>					
From income (excluding dividends)	-	-	-	-	-
From dividends	(1.13)	(1.34)	-	-	-
From capital gains	(4.72)	(10.91)	-	-	-
Return of capital	-	-	-	-	-
<b>Total Annual Distributions<sup>(3)</sup></b>	<b>(5.85)</b>	<b>(12.25)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net asset value at December 31 of year shown</b>	<b>\$142.98</b>	<b>\$124.86</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Series O *</b>	<b>2025 Dec 31</b>	<b>2024 Dec 31</b>	<b>2023 Dec 31</b>	<b>2022 Dec 31</b>	<b>2021 Dec 31</b>
<small>* Series O units are only offered by way of private placement</small>					
<b>Net asset value, beginning of year</b>	\$125.57	\$129.05	\$116.77	\$130.01	\$127.71
<b>Increase (decrease) from operations:</b>					
Total revenue	2.40	2.58	2.41	2.54	2.91
Total expenses	(0.90)	(0.83)	(1.30)	(0.89)	(1.16)
Realized gains (losses) for the year	9.27	12.43	7.68	(4.92)	21.45
Unrealized gains (losses) for the year	14.43	(6.40)	12.59	(8.14)	(5.32)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>25.20</b>	<b>7.78</b>	<b>21.38</b>	<b>(11.41)</b>	<b>17.88</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	-	-	-	-	-
From dividends	(1.81)	(1.34)	(2.57)	(1.92)	(2.06)
From capital gains	(4.77)	(10.98)	(6.53)	-	(13.42)
Return of capital	-	-	-	-	-
<b>Total Annual Distributions<sup>(3)</sup></b>	<b>(6.58)</b>	<b>(12.32)</b>	<b>(9.10)</b>	<b>(1.92)</b>	<b>(15.48)</b>
<b>Net asset value at December 31 of year shown</b>	<b>\$144.10</b>	<b>\$125.57</b>	<b>\$129.05</b>	<b>\$116.77</b>	<b>\$130.01</b>

<sup>(1)</sup> 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 until January 19, 2024, when the Fund became a public mutual fund again and since then has offered Series F units publicly.

<sup>(2)</sup> 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.

<sup>(3)</sup> Distributions are reinvested in additional units of the Fund or paid in cash.

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

<b>Series F<sup>(1)</sup></b>	<b>2025 Dec 31</b>	<b>2024 Dec 31</b>	<b>2023 Dec 31</b>	<b>2022 Dec 31</b>	<b>2021 Dec 31</b>
Total net asset value <sup>(2)</sup>	\$2,486,987	\$2,210,151	\$ -	\$ -	\$ -
Number of units outstanding <sup>(2)</sup>	17,394	17,701	-	-	-
Management expense ratio <sup>(3)</sup>	0.85%	0.77%	-	-	-
Management expense ratio before waivers or absorptions	0.85%	0.77%	-	-	-
Trading expense ratio <sup>(4)</sup>	0.28%	0.38%	-	-	-
Portfolio turnover rate <sup>(5)</sup>	135.01%	142.26%	-	-	-
Net asset value per unit	\$142.98	\$124.86	-	-	-

<b>Series O*</b>	<b>2025 Dec 31</b>	<b>2024 Dec 31</b>	<b>2023 Dec 31</b>	<b>2022 Dec 31</b>	<b>2021 Dec 31</b>
* Series O units are only offered by way of private placement					
Total net asset value <sup>(2)</sup>	\$128,794,795	\$106,503,942	\$78,309,264	\$63,132,147	\$71,546,065
Number of units outstanding <sup>(2)</sup>	893,817	848,155	606,802	540,676	550,326
Management expense ratio <sup>(3)</sup>	0.20%	0.21%	0.25%	0.22%	0.20%
Management expense ratio before waivers or absorptions	0.20%	0.21%	0.25%	0.22%	0.20%
Trading expense ratio <sup>(4)</sup>	0.28%	0.38%	0.24%	0.26%	0.36%
Portfolio turnover rate <sup>(5)</sup>	135.01%	142.26%	122.58%	119.28%	124.26%
Net asset value per unit	\$144.10	\$125.57	\$129.05	\$116.77	\$130.01

<sup>(1)</sup> 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 until January 19, 2024, when the Fund became a public mutual fund again and since then has offered Series F units publicly.

<sup>(2)</sup> This information is provided as at December 31 of the year shown.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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 year ended December 31, 2025, the Fund paid the Manager US\$15,518 in management fees in respect of Series F units.

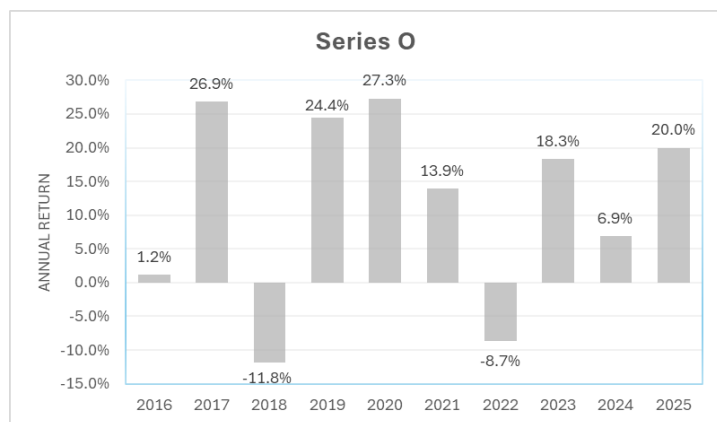
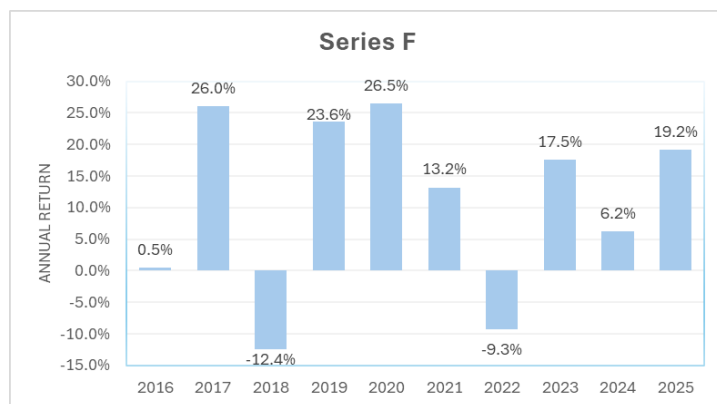
In respect of Series O units, no management fees are paid by the Fund. The unitholder of Series O pays the manager a negotiated management fee outside of the Fund.

**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 of the ten most recently completed financial years. 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 last day of each financial year.



**Annual Compound Returns**

The following table shows the annual compound returns of the Fund for the year ended on December 31, 2025, compared with MSCI World Index benchmark.

For the Year ended December 31, 2025	Past	Past	Past	Past
	1 Year	3 Years	5 Years	10 Years
Series F*	19.20%	14.17%	8.84%	10.24%
Series O**	20.00%	14.90%	9.55%	10.95%
MSCI World Index	21.60%	21.72%	12.66%	12.74%

\* The Fund became a reporting issuer again on January 19, 2024 and commenced the offering of Series F units to the public on that date. In reviewing the Fund's past performance information, you should consider that: (i) the Fund was not a reporting issuer over the entirety of the periods shown; (ii) the expenses of the Fund would have been higher during such periods had the Fund been subject to the additional requirements applicable to reporting issuers; (iii) during the time it was not a reporting issuer, the Fund was not subject to the investment restrictions and practices in National Instrument 81-102 *Investment Funds*; and (iv) Genus Capital Management Inc. has obtained exemptive relief on behalf of the Fund to permit the disclosure of the performance data for the Fund for the time period prior to it becoming a reporting issuer. In addition, the exemptive relief allows the Fund to disclose performance data in this document and in sales communications relating to Series F units that shows how the Series O units of the Fund have performed during periods in which the Fund was not a reporting issuer. Series O units of the Fund have only been offered on a private placement basis.

\*\* On May 15, 2014, the Fund was launched offering Series O units. The table above shows each of the ten most recently completed financial years.

A commentary on the market and/or information regarding the relative performance of the Fund as compared to its benchmark can be found under the Results of Operations section of this report.

**Index Performance**

The MSCI World Index, which is part of The Modern Index Strategy, is a broad global equity index that represents large and mid-cap equity performance across 23 developed markets countries. It covers approximately 85% of the free float-adjusted market capitalization in each country and MSCI World Index does not offer exposure to emerging markets.

**Summary of Investment Portfolio**

As at December 31, 2025

**Summary of investment portfolio**

<b>Top 25 Holdings</b>	<b>Percentage of Net Asset Value (%)</b>
NVIDIA Corp.	5.4
Steel Dynamics Inc.	4.0
International Business Machines Corp.	3.9
Solaria Energia y Medio Ambiente S.A.	3.7
HOCHTIEF AG	3.6
ACS Actividades de Construccion y Servicios S.A.	3.5
Siemens Energy AG	3.4
TopBuild Corp.	3.4
Rivian Automotive Inc.	3.3
First Solar Inc.	3.2
Gilead Sciences Inc.	3.0
Advanced Micro Devices Inc.	3.0
BorgWarner Inc.	3.0
United Utilities Group PLC	2.9
Analog Devices Inc.	2.9
Essity AB	2.8
Incyte Corp.	2.7
GE Vernova Inc.	2.6
Cash	2.6
AbbVie Inc.	2.5
First Capital Real Estate Investment Trust	2.2
GSK PLC	2.0
GS Yuasa Corp.	1.9
Hewlett Packard Enterprise Co.	1.8
Sumitomo Realty & Development Co., Ltd.	1.7
	75.0
<b>Total Net Asset Value</b>	<b>\$131,281,782</b>

**Portfolio by Category**

<b>Sector</b>	<b>Percentage of Net Asset Value (%)</b>
Information Technology	22.6
Industrials	18.0
Health Care	17.1
Consumer Discretionary	13.7
Utilities	7.8
Real Estate	7.6
Materials	6.9
Consumer Staples	2.8
Derivatives - Long	-
Derivatives - Short	(0.2)
Cash	2.6
Other Assets (Liabilities)	1.1
	<b>100.0</b>
<b>Geographical Allocation</b>	<b>Percentage of Net Asset Value (%)</b>
United States of America	56.2
United Kingdom	7.4
Spain	7.2
Germany	7.0
Japan	5.5
Sweden	4.2
Denmark	3.0
Canada	2.2
France	1.4
Hong Kong	1.3
Netherlands	1.1
Derivatives - Long	-
Derivatives - Short	(0.2)
Cash	2.6
Other Assets (Liabilities)	1.1
	<b>100.0</b>

The summary of investment portfolio may have changed since December 31, 2025 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/>.

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## 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.*