

## ATBIS Fixed Income Pool

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As at June 30, 2021

*This semi-annual management report of fund performance contains financial highlights but does not contain the semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual financial statements upon request at no charge, by calling 1-855-386-2282, by emailing us at ATBFunds@atb.com, by contacting your dealer or by visiting SEDAR at [www.sedar.com](http://www.sedar.com).*

*Unitholders may also contact us using these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure records or quarterly Portfolio disclosure.*

### Management Discussion of Fund Performance

#### Investment Objectives and Strategies

The ATBIS Fixed Income Pool's ("Pools") objective is to seek to earn interest income primarily by investing in, or gaining exposure to, Canadian dollar-denominated fixed income securities, including debt obligations of, or guaranteed by, Canadian federal, provincial or municipal governments, Canadian corporations, or foreign issuers (Maple bonds).

To achieve the Pool's objectives, the Pool's advisor will allocate the Pool's exposure to fixed income securities based upon its view of the market and the suitability of the investment for the Pool and by taking into account factors such as economic indicators (including growth, inflation and monetary policy), as well as its interest rate outlook.

#### Risk

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

#### Results from Operations

The Pool's net asset value increased to \$231 million as at June 30, 2021, from \$191 million at the end of 2020. The change in asset value was due to a combination of net inflows and positive investment returns.

Year to date, the Pool's Series O units returned 1.67%, outperforming the benchmark return of -3.46%. The Pool's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The following provides an asset class specific commentary for the portfolio. Returns are inclusive of the Pool's pro-rata share, where applicable, of any investment in an underlying fund i.e. provided on a look-through basis:

As COVID-19 vaccine distribution ramped up during the first three months of 2021, the post pandemic reopening became closer to reality, bringing with it fears of elevated inflation and anticipation of a ramp down in monetary stimulus globally. This resulted in yields rising significantly during the first three months of 2021, pushing the broader bond index in negative return territory. As central banks reacted to the improved economic outlook, markets became increasingly convinced of the transitory nature of elevated inflation. This was reflected in moderating yields during the three months leading up to the end of June, enabling the broad bond index to recover some lost ground.

The unconstrained corporate bond component that represents 40% of the portfolio returned roughly 8.13% during the period. This portion of the portfolio initially consisted largely of lower quality bonds, but has been slowly transitioning to higher quality bonds as opportunities arise. By the end of June, the majority of this component still consisted of below-investment grade bonds. Credit spreads continued to contract through the period leaving strong performance for this component as a result. The conventional investment grade component that represents about 58% of the portfolio also outperformed the bond universe index during the period. This was primarily due to a relatively shorter duration, coupled with the realization of value with contracting credit spreads.

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The commercial mortgage component continues to have an attractive ongoing yield with performance that is less influenced by the volatility in bond and equity markets

### **Changes**

The passive portion of the portfolio invested in the BlackRock Canada Universe Bond Index Pool representing 5.1% of the portfolio was sold off in favour of the BMO Government bond ETF and the existing investment grade bonds actively managed within the Canso Universe Investment Grade Corporate mandate.

## **Recent Developments**

The worldwide impact of COVID-19 and in particular, the spread of the Delta variant has continued to have a disruption on international business operations, supply chains, travel, commodity prices, consumer confidence and business forecasts. These disruptions have had an associated impact on both domestic and international equity markets, fixed income yields as well as portfolios through 2021. Such disruptions are expected to continue to do so for some time. However, after the second quarter of 2021, there has also been an upward shift for economic activities due to a continued vaccination drive across Canada and much of the industrialized world. As major economies continue to open further, our economy, primarily our energy sector has pushed higher. In addition, as more vaccinations continue, Canada's large financial sector has also elevated due to expectations of benefitting from the steeper yield curve. We expect that the performance of all investment funds, including the Pool, will continue to be impacted to some degree in the near term as the reopening of the economy and COVID-19 both create opposing forces on the market and economy.

During early 2021, ATB Investment Management Inc. appointed Scott Lacombe as a Portfolio Manager ("PM") for the ATBIS Pools. The onboarding of the supporting PM, Joseph Wong, was in process as of June 30. The PM roles are ultimately responsible for providing or arranging for the provision of portfolio management services, including appointing sub-advisors.

There are no other developments or changes to report at this time related to the investment objectives, investment strategies or management of any of the ATB Funds, or to the policies of the Independent Review Committee ("IRC").

## **Related Party Transactions**

The Pool is managed ("Manager") by ATB Investment Management Inc. ("ATBIM"), a wholly owned subsidiary of ATB Financial.

Throughout the period, the Pool used the services of ATB Financial and its subsidiaries for administration of the Pool. The total value of services rendered by ATB Financial, and its subsidiaries to the Pool, was \$31,613.

As of June 30, 2021, ATBIM has absorbed \$145,258 of operating expenses in the Pool.

ATBIM is the sole investor in Series A of the Pool. As at June 30, 2021, ATBIM held 559 redeemable units, valued at \$6,063 representing 0.002% of the total net asset value of the Pool.

ATBIM established an IRC which acts as an impartial and independent committee to review and provide recommendations or, if applicable, approvals with respect to any conflict of interest matters. IRC oversight ensures that there are no conflicts of interest that would be harmful to unitholders.

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## Financial Highlights

The following tables show selected key financial information about the Pool and are intended to help you understand the Pool's financial performance for the six months ended June 30, 2021 and the fiscal years indicated. The information is based on prescribed regulations and as a result, is not expected to reconcile because the increase (decrease) in net assets from operations is based on average units outstanding during the period and all other numbers are based on actual units outstanding at the relevant point in time.

### ATBIS Fixed Income Pool - Series A

PERIOD	2021	2020	2019	2018	2017	2016
<b>Net assets, beginning of period<sup>1</sup></b>	\$10.74	\$9.84	\$9.59	\$9.72	\$9.71	\$10.00
<b>Increase (decrease) from operations;</b>						
Total revenue	0.18	0.39	0.33	0.27	0.31	0.25
Total expenses	(0.07)	(0.14)	(0.14)	(0.14)	(0.20)	(0.02)
Net investment income (loss)	0.11	0.25	0.19	0.13	0.11	0.23
Realized gains (losses) for the period	0.30	0.36	0.03	(0.02)	(0.06)	0.01
Unrealized gains (losses) for the period	(0.30)	0.74	0.22	(0.11)	0.05	(0.26)
Net gain (loss) on investment for the period	-	1.10	0.25	(0.13)	(0.01)	(0.25)
<b>Total increase (decrease) from operations<sup>2</sup></b>	0.11	1.35	0.44	-	0.10	(0.02)
<b>Distributions;</b>						
From income (excluding dividends)	-	(0.25)	(0.18)	(0.14)	(0.09)	(0.27)
From dividends	-	-	-	-	-	-
From net investment income	-	(0.25)	(0.18)	(0.14)	(0.09)	(0.27)
From capital gains	-	(0.20)	-	-	-	(0.01)
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.45)	(0.18)	(0.14)	(0.09)	(0.28)
<b>Net assets, end of period<sup>4</sup></b>	\$10.85	\$10.74	\$9.84	\$9.59	\$9.72	\$9.71

(1) This information is derived from the Pool's audited annual financial statements as at December 31 of the years shown, except 2021, which is derived from the Pool's unaudited interim financial statements for the six months ended June 30, 2021.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from investment operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash, reinvested in additional units of the Pool, or both.

## Ratios and Supplemental Data

PERIOD	2021	2020	2019	2018	2017	2016
Total net asset value (000's) <sup>4</sup>	\$6	\$6	\$5	\$5	\$5	\$5
Number of units outstanding <sup>4</sup>	559	559	536	526	519	514
Management expense ratio <sup>5</sup>	1.37%	1.38%	1.39%	1.42%	2.09%	0.93%
Management expense ratio before waivers or absorptions	2.05%	2.17%	2.28%	2.33%	3.01%	67.39%
Trading expense ratio <sup>6</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>7</sup>	25.70%	67.48%	44.66%	42.12%	87.70%	0.00%
Net asset value per unit	\$10.85	\$10.74	\$9.84	\$9.59	\$9.72	\$9.71

(4) This information is provided at June 30, 2021 and December 31 of prior years shown.

(5) The Management expense ratio (MER) is based on total expenses (excluding commissions and other Pool transaction costs), and the Pool's proportionate share of the MER, if applicable, of any underlying funds and exchange traded funds in which the Pool has invested, allocated to that series for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Pool are shown both with and without the waivers and absorptions.

(6) The trading expense ratio represents total commissions and other Pool transaction costs expressed as an annualized percentage of daily average net asset value during the period.

(7) The Pool's portfolio turnover rate indicates how actively the Pool's Advisor manages its portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the period. The higher a Pool's portfolio turnover rate in a period, the greater the trading costs payable by the Pool in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Pool.

Semi-Annual Management Report of Fund Performance  
 ATBIS Fixed Income Pool (continued)

## Financial Highlights (continued)

ATBIS Fixed Income Pool - Series O						
PERIOD	2021	2020	2019	2018	2017	2016
<b>Net assets, beginning of period<sup>1</sup></b>	\$10.95	\$9.97	\$9.70	\$9.82	\$9.76	\$10.00
<b>Increase (decrease) from operations;</b>						
Total revenue	0.18	0.39	0.33	0.28	0.34	0.53
Total expenses	-	-	-	-	(0.01)	-
Net investment income (loss)	0.18	0.39	0.33	0.28	0.33	0.53
Realized gains (losses) for the period	0.31	0.38	0.03	(0.03)	(0.07)	0.02
Unrealized gains (losses) for the period	(0.29)	0.71	0.22	(0.11)	-	(0.40)
Net gain (loss) on investment for the period	0.02	1.09	0.25	(0.14)	(0.07)	(0.38)
<b>Total increase (decrease) from operations<sup>2</sup></b>	0.20	1.48	0.58	0.14	0.26	0.15
<b>Distributions;</b>						
From income (excluding dividends)	-	(0.35)	(0.32)	(0.25)	(0.25)	(0.23)
From dividends	-	-	-	-	-	-
From net investment income	-	(0.35)	(0.32)	(0.25)	(0.25)	(0.23)
From capital gains	-	(0.18)	-	-	-	(0.01)
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.53)	(0.32)	(0.25)	(0.25)	(0.24)
<b>Net assets, end of period<sup>4</sup></b>	\$11.13	\$10.95	\$9.97	\$9.70	\$9.82	\$9.76

- (1) This information is derived from the Pool's audited annual financial statements as at December 31 of the years shown, except 2021, which is derived from the Pool's unaudited interim financial statements for the six months ended June 30, 2021.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from investment operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were paid in cash, reinvested in additional units of the Pool, or both.

## Ratios and Supplemental Data

PERIOD	2021	2020	2019	2018	2017	2016
Total net asset value (000's) <sup>4</sup>	\$205,776	\$167,787	\$101,006	\$85,273	\$53,493	\$4,411
Number of units outstanding <sup>4</sup>	18,489,384	15,326,879	10,132,999	8,790,457	5,449,577	451,819
Management expense ratio <sup>5</sup>	0.02%	0.03%	0.04%	0.04%	0.07%	0.13%
Management expense ratio before waivers or absorptions	0.16%	0.24%	0.31%	0.35%	0.81%	18.31%
Trading expense ratio <sup>6</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>7</sup>	25.70%	67.48%	44.66%	42.12%	87.70%	0.00%
Net asset value per unit	\$11.13	\$10.95	\$9.97	\$9.70	\$9.82	\$9.76

- (4) This information is provided at June 30, 2021 and December 31 of prior years shown.
- (5) The Management expense ratio (MER) is based on total expenses (excluding commissions and other Pool transaction costs), and the Pool's proportionate share of the MER, if applicable, of any underlying funds and exchange traded funds in which the Pool has invested, allocated to that series for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager, at its sole discretion, waives management fees or absorbs expenses. Such waivers and absorptions can be terminated at any time. The MERs of the Pool are shown both with and without the waivers and absorptions.
- (6) The trading expense ratio represents total commissions and other Pool transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (7) The Pool's portfolio turnover rate indicates how actively the Pool's Advisor manages its portfolio of investments. A portfolio turnover rate of 100% is equivalent to the Pool buying and selling all of the securities in its portfolio once in the course of the period. The higher a Pool's portfolio turnover rate in a period, the greater the trading costs payable by the Pool in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Pool.

Semi-Annual Management Report of Fund Performance  
 ATBIS Fixed Income Pool (continued)

## Financial Highlights (continued)

ATBIS Fixed Income Pool - Series F1						
PERIOD	2021	2020	2019	2018	2017	2016
<b>Net assets, beginning of period<sup>1</sup></b>	\$10.85	\$9.85	\$9.58	\$9.74	\$9.71	\$10.00
<b>Increase (decrease) from operations;</b>						
Total revenue	0.18	0.40	0.33	0.27	0.35	0.25
Total expenses	(0.03)	(0.06)	(0.06)	(0.06)	(0.06)	(0.02)
Net investment income (loss)	0.15	0.34	0.27	0.21	0.29	0.23
Realized gains (losses) for the period	0.31	0.39	0.03	(0.02)	(0.07)	0.01
Unrealized gains (losses) for the period	(0.31)	0.81	0.21	(0.11)	(0.02)	(0.25)
Net gain (loss) on investment for the period	-	1.20	0.24	(0.13)	(0.09)	(0.24)
<b>Total increase (decrease) from operations<sup>2</sup></b>	0.15	1.54	0.51	0.08	0.20	(0.01)
<b>Distributions;</b>						
From income (excluding dividends)	-	(0.27)	(0.25)	(0.24)	(0.20)	(0.27)
From dividends	-	-	-	-	-	-
From net investment income	-	(0.27)	(0.25)	(0.24)	(0.20)	(0.27)
From capital gains	-	(0.17)	-	-	-	(0.01)
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.44)	(0.25)	(0.24)	(0.20)	(0.28)
<b>Net assets, end of period<sup>4</sup></b>	\$11.01	\$10.85	\$9.85	\$9.58	\$9.74	\$9.71

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- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from investment operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were paid in cash, reinvested in additional units of the Pool, or both.

## Ratios and Supplemental Data

PERIOD	2021	2020	2019	2018	2017	2016
Total net asset value (000's) <sup>4</sup>	\$25,273	\$23,141	\$6,746	\$5,489	\$7,440	\$5
Number of units outstanding <sup>4</sup>	2,296,380	2,131,997	684,629	572,742	763,947	514
Management expense ratio <sup>5</sup>	0.55%	0.57%	0.57%	0.57%	0.60%	0.64%
Management expense ratio before waivers or absorptions	0.69%	0.76%	0.86%	0.90%	1.20%	67.15%
Trading expense ratio <sup>6</sup>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate <sup>7</sup>	25.70%	67.48%	44.66%	42.12%	87.70%	0.00%
Net asset value per unit	\$11.01	\$10.85	\$9.85	\$9.58	\$9.74	\$9.71

- (4) This information is provided at June 30, 2021 and December 31 of prior years shown.
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### **Management Fees**

ATBIM receives management fees of 1.25% per annum for Series A and 0.5% per annum for Series F1. The management fees for Series A and Series F1 are calculated as a percentage of their net asset value as of the close of business on each business day. Management fees for Series O are payable directly to the Manager by Series O investors and not by the Pool.

For the period ended June 30, 2021, the Pool paid ATBIM management fees of \$62,974. The Pool's management fees were used by ATBIM to: pay costs for managing the investment portfolios; provide investment analysis and recommendations; make investment decisions; purchase and sell investments; and provide other services.

### **Past Performance**

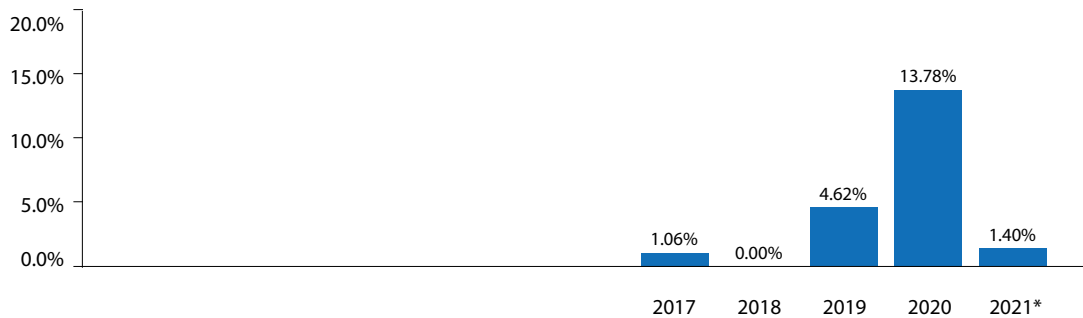
The performance information shown assumes all distributions made by the Pool were reinvested into additional units of the Pool. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance of the Pool does not necessarily indicate how it will perform in the future.

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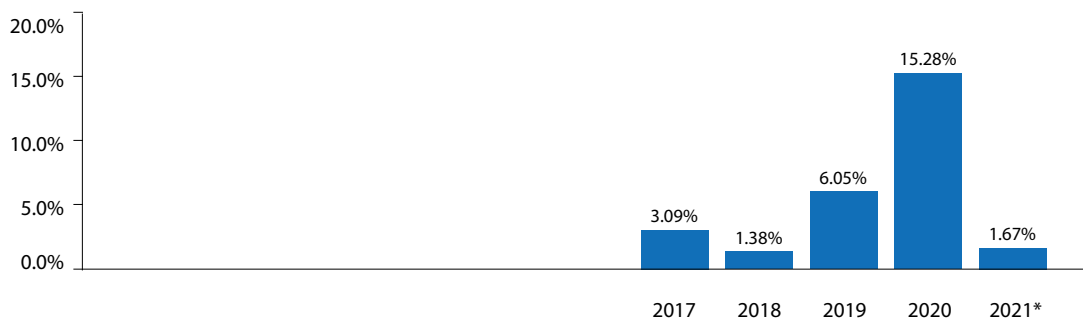
### Year by Year Returns

The following information shows the Pool's performance for the six months ended June 30, 2021 and for each of the previous years shown. The bar charts illustrate how the Pool's performance has changed from period to period and also indicates in percentage terms, how much an investment made on the first day of each financial period would have increased or decreased in value by the last day of each period.

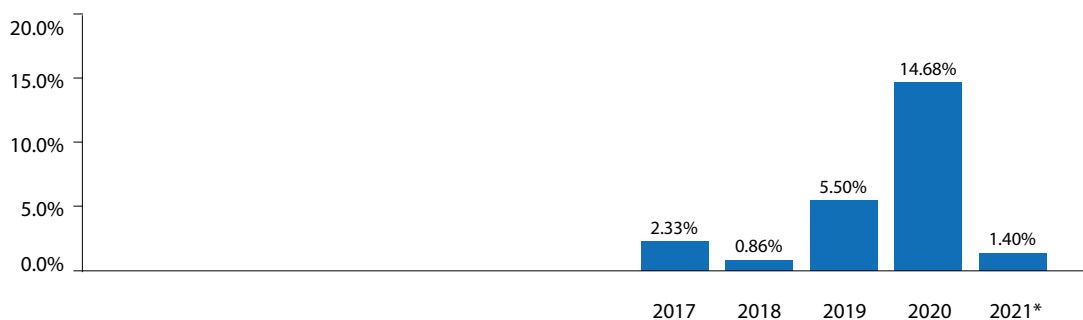
Series A



Series O



Series F1



The inception date of Series A, O and F1 was September 22, 2016.

\*For the period January 1, 2021 to June 30, 2021

Semi-Annual Management Report of Fund Performance  
 ATBIS Fixed Income Pool (continued)

**Summary of Investment Pool**

As at June 30, 2021

<i>ATBIS Fixed Income Pool</i>	<i>% Weight</i>
Fixed Income	96.7%
Cash & Other	3.3%
Total	100.0%

<i>ATBIS Fixed Income Pool</i>	<i>% Weight</i>
Fixed Income	
Govt Bonds	17.2%
Corp Bonds	77.3%
Mortgage-backed Securities	2.2%
Cash & Other	3.3%
Total	100.0%

<i>Top 25 Holdings</i>	<i>% Weight</i>
BMO Government Bond Index ETF	7.8%
Cash and Cash Equivalent	5.2%
Natwest Group PLC 1.63% May 15/23	2.3%
Canadian Commercial Mortgage Origination Trust 5 1.00% Jun 24/41	2.2%
Manulife Financial Corporation 3.38% Jun 19/81	2.1%
Canadian Imperial Bank of Commerce 0.63% Mar 04/25	2.1%
Merrill Lynch Canada Inc. Canadian Mortgage Pools 0.58% Dec 01/25	2.1%
Air Canada 9.00% Jun 22/24	1.6%
Bank of America Corporation 1.04% Sep 15/27	1.5%
Bank of Montreal 4.30% Nov 26/80	1.4%
Toyota Credit Canada Inc. 2.31% Oct 23/24	1.4%
General Electric Company 0.56% May 05/26	1.3%
Royal Bank of Canada 4.50% Nov 24/80	1.3%
New York Life Global Funding 2.00% Apr 17/28	1.2%
The Bank of Nova Scotia 3.70% Jul 27/81	1.2%
407 International Inc. 1.80% May 22/25	1.2%
American Airlines Inc. 11.75% Jul 15/25	1.2%
The Walt Disney Company 3.06% Mar 30/27	1.2%
Sun Life Financial Inc. 3.05% Sep 19/28	1.2%
Enbridge Inc. 4.57% Mar 11/44	1.1%
Sun Life Financial Inc. 3.60% Jun 30/81	1.1%
Metropolitan Life Global Funding I 1.95% Mar 20/28	1.1%
TransCanada PipeLines Limited 2.37% May 15/67	1.1%
Laurentian Bank of Canada Canadian Mortgage Pools 1.40% Mar 01/31	1.0%
NAV Canada 2.92% Sep 29/51	1.0%

Total Fund Net Asset Value \$231,054,931

The summary provides a snapshot of the investment portfolio by security type, industry and geographical location. The information is presented on a look-through basis for any investments in underlying funds.

The summary of investment portfolio may change due to ongoing portfolio transactions in the investment fund. The most recent annual or semi-annual reports are available at no cost by calling 1-855-386-2282, by e-mailing ATBFunds@atb.com or by visiting our website at [www.atb.com/wealth](http://www.atb.com/wealth). Prospectus and other information about underlying investment funds is available on the internet at [www.sedar.com](http://www.sedar.com).



### Caution Regarding Forward-Looking Statements

This report may include forward-looking statements about the Pool. These statements “Results from Operations” and “Recent Developments” may involve, but are not limited to, forward-looking statements about the Pool and may make references relating to strategy, risks, expected performance and condition. Forward-looking statements typically use words like “anticipate”, “believe”, “estimate”, “expect”, “intend”, “may”, “plan” or other similar expressions or future or conditional verbs such as “could”, “should”, “would” or “will.”

By their very nature, forward-looking statements require numerous assumptions and are subject to inherent risks and uncertainties, both general and specific, concerning future performance, strategies or prospects and possible future Pool action. A number of factors could cause actual future results, conditions, actions or events to differ materially from the current expectations, estimates, intentions or projections about future general economic, political and other relevant market factors in North America and internationally including, but not limited to, interest rates, foreign exchange rates, equity and capital markets, business competition, technological changes, catastrophic events and the general business economy. Such factors assume no changes to applicable tax, other laws, government regulation or legislation.

The Pool cautions readers that the aforementioned list is not exhaustive. Anyone reading and relying on forward-looking statements should carefully consider these and other factors that could potentially have an adverse affect on the Pool’s future results as there is a significant risk that forward-looking statements will not prove to be accurate.

**The reader is reminded that the cautions listed above are not exhaustive.** The Pool does not undertake to update any forward-looking statement contained in this report.

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