

As at June 30, 2019

*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 1-888-ATB-FUND, by emailing us at atbimservice@atb.com, by contacting your dealer or by visiting SEDAR at www.sedar.com.*

*Security holders 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 U.S. Equity Income Pool ("the Pool") objective is to seek to achieve long-term capital growth primarily by investing, or gaining exposure to, equity securities of issuers in the United States.

To achieve the Pool's objectives, the Pool advisor will allocate the Pool's exposure to U.S. equity 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 market sector, investment style, volatility, and market capitalization.

### 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 \$44 million as at June 30, 2019, from \$38 million at the end of 2018. The change in asset value was due to a combination of net inflows and investment returns.

Year to date, the Pool's Series O units returned 12.29%, underperforming the blended benchmark return of 13.71%. The Pool's return is after the deduction of fees and expenses, while broad-based index and blended benchmark returns do 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 Pool, 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:

The US economy continued to grow at a very strong pace, and during 2018 created more new jobs than any year since 2014. Despite the strong economic situation, inflation remained well-behaved, just slightly above the 2% target set for it by the US central bank (the Federal Reserve or "Fed"). The Fed raised its target short-term interest rate a quarter percent four times through 2018, but signalled during its last increase that it expected to raise rates at a more moderate pace going forward, and that the pace would depend very much on how the US economy digests and reacts to the prior rate increases.

The US economy continued to fire on most cylinders, despite concerns that its central bank (the Federal Reserve) may have increased interest rates too quickly in the prior years. Job growth was slightly lower over the first six months of 2019 than during the same period of prior years, but that's largely to be expected now that the excess unemployment from the Global Financial Crisis has finally disappeared. The unemployment rate remained steady at 3.7% or so throughout the second quarter, its lowest level since 1969. Despite the heady economic situation, inflation remained well-behaved. If anything, the Federal Reserve stated that it would like to see slightly higher inflation. The Federal Reserve made no change to its interest rate target through the year's first half year, but strongly signaled in June that it was likely to reduce it at least once before the end of the year.

Based largely on the anticipated end of the Fed's interest rate increases, US and global stocks rallied very rapidly in the first quarter of 2019 and somewhat during the second quarter. Measured in US dollars, the US large-cap stocks that represent about

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80% of the portfolio had a gross return of about 18% for the period, the declining US dollar reduced this by nearly 5% if expressed in Canadian dollar terms.

The US small-cap stocks that represent about 20% of the portfolio also joined the worldwide stock rally but to a slightly lesser extent, with a gross return for the six months ending June 30, 2019, of about 14% in US dollars and 9% if expressed in Canadian dollars.

### **Changes**

The 15% of the portfolio's weight, previously held in the QV US large-cap equity mandate, was moved entirely to the Mawer US Equity mandate. 10% of the portfolio's weight invested in the BlackRock US Equity Index pooled fund was removed and also added to the Mawer US Equity mandate.

### **Recent Developments**

As of May 15, 2019, QV Investors Inc. ("QV") ceased to act as sub-advisor to ATB Investment Management Inc. ("ATBIM") for the ATBIS U.S. Equity Pool and ATBIS International Equity Pool as well as for the foreign equity portion of Compass Conservative Portfolio, Compass Conservative Balanced Portfolio, Compass Balanced Portfolio, Compass Balanced Growth Portfolio, Compass Growth Portfolio, and Compass Maximum Growth Portfolio. Mawer Investment Management Ltd. continues to act as a sub-advisor to ATBIM in respect of the foreign equity component of the Compass Portfolios and were subject to an increase in allocation of some or all of the foreign equity assets previously managed by QV. Mawer was also appointed as a sub-advisor to ATBIM for the ATBIS Pools.

There are no other developments to report at this time related to the strategic positioning of the Pool, the manager, or to the policies of the IRC.

### **Related Party Transactions**

The Pool is managed by ATB Investment Management Inc. ATB Investment Management Inc. is 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 \$12,866.

As of June 30, 2019, ATB Investment Management Inc. has absorbed \$58,639 of operating expenses in the Pool.

ATB Investment Management Inc. is the sole investor in Series A of the Pool. As at June 30, 2019, ATBIM held 531 redeemable units, valued at \$6,475 representing 0.01% of the total net asset value of the Pool.

ATB Investment Management Inc. has established an independent review committee ("IRC") which acts as an impartial and independent committee to review and provide recommendations or, if appropriate, approvals with respect to any conflict of interest matters. IRC oversight ensures that there are no conflicts of interest that would be harmful to unit holders.

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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, 2019 and the fiscal years indicated. The information on the following tables 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 U.S. Equity Pool - Series A				
PERIOD	2019	2018	2017	2016
<b>Net assets, beginning of period<sup>1</sup></b>	\$10.96	\$11.24	\$10.42	\$10.00
<b>Increase (decrease) from operations;</b>				
Total revenue	0.10	0.12	0.21	0.09
Total expenses	(0.12)	(0.29)	(0.29)	(0.03)
Net investment income (loss)	(0.02)	(0.17)	(0.08)	0.06
Realized gains (losses) for the period	0.07	0.25	0.08	0.10
Unrealized gains (losses) for the period	1.18	0.98	0.53	0.45
Net gain (loss) on investment for the period	1.25	1.23	0.61	0.55
<b>Total increase (decrease) from operations<sup>2</sup></b>	1.23	1.06	0.53	0.61
<b>Distributions;</b>				
From income (excluding dividends)	-	-	-	(0.09)
From dividends	-	-	-	-
	-	-	-	(0.09)
From capital gains	-	(0.48)	-	(0.10)
Return of capital	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.48)	-	(0.19)
<b>Net assets, end of period<sup>4</sup></b>	\$12.19	\$10.96	\$11.24	\$10.42

(1) This information is derived from the Pool's unaudited interim financial statements

(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	2019	2018	2017	2016
Total net asset value (000's) <sup>4</sup>	\$6	\$6	\$21	\$5
Number of units outstanding <sup>4</sup>	531	531	1,868	509
Management expense ratio <sup>5</sup>	1.96%	2.48%	2.72%	1.10%
Management expense ratio before waivers or absorptions	2.69%	3.08%	3.51%	67.76%
Trading expense ratio <sup>6</sup>	0.03%	0.02%	0.03%	0.15%
Portfolio turnover rate <sup>7</sup>	16.39%	13.71%	8.79%	0.47%
Net asset value per unit	\$12.19	\$10.96	\$11.24	\$10.42

(4) This information is provided at June 30, 2019 and December 31 of prior years shown

(5) The management expense ratio (MER) is based on total expenses (excluding commissions and other portfolio 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 values 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 U.S. Equity Pool (continued)

## Financial Highlights (continued)

ATBIS U.S. Equity Pool - Series O				
PERIOD	2019	2018	2017	2016
<b>Net assets, beginning of period<sup>1</sup></b>	\$11.44	\$11.45	\$10.45	\$10.00
<b>Increase (decrease) from operations;</b>				
Total revenue	0.11	0.20	0.21	0.19
Total expenses	-	-	(0.01)	-
Net investment income (loss)	0.11	0.20	0.20	0.19
Realized gains (losses) for the period	0.07	0.41	0.08	0.23
Unrealized gains (losses) for the period	1.22	(0.26)	1.00	0.16
Net gain (loss) on investment for the period	1.29	0.15	1.08	0.39
<b>Total increase (decrease) from operations<sup>2</sup></b>	1.40	0.35	1.28	0.58
<b>Distributions;</b>				
From income (excluding dividends)	-	(0.24)	(0.15)	(0.08)
From dividends	-	-	-	-
	-	(0.24)	(0.15)	(0.08)
From capital gains	-	(0.23)	-	(0.10)
Return of capital	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.47)	(0.15)	(0.18)
<b>Net assets, end of period<sup>4</sup></b>	\$12.85	\$11.44	\$11.45	\$10.45

(1) This information is derived from the Pool's unaudited interim financial statements

(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	2019	2018	2017	2016
Total net asset value (000's) <sup>4</sup>	\$38,906	\$33,641	\$22,822	\$1,912
Number of units outstanding <sup>4</sup>	3,028,321	2,940,411	1,992,902	182,862
Management expense ratio <sup>5</sup>	0.04%	0.04%	0.07%	0.10%
Management expense ratio before waivers or absorptions	0.32%	0.37%	0.82%	23.10%
Trading expense ratio <sup>6</sup>	0.03%	0.02%	0.03%	0.15%
Portfolio turnover rate <sup>7</sup>	16.39%	13.71%	8.79%	0.47%
Net asset value per unit	\$12.85	\$11.44	\$11.45	\$10.45

(4) This information is provided at June 30, 2019 and December 31 of prior years shown

(5) The management expense ratio (MER) is based on total expenses (excluding commissions and other portfolio 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 values 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 U.S. Equity Pool (continued)

## Financial Highlights (continued)

ATBIS U.S. Equity Pool - Series F1				
PERIOD	2019	2018	2017	2016
<b>Net assets, beginning of period<sup>1</sup></b>	\$11.43	\$11.38	\$10.43	\$10.00
<b>Increase (decrease) from operations;</b>				
Total revenue	0.10	0.22	0.24	0.09
Total expenses	(0.05)	(0.10)	(0.09)	(0.02)
Net investment income (loss)	0.05	0.12	0.15	0.07
Realized gains (losses) for the period	0.07	0.44	0.09	0.10
Unrealized gains (losses) for the period	1.30	(0.65)	0.80	0.45
Net gain (loss) on investment for the period	1.37	(0.21)	0.89	0.55
<b>Total increase (decrease) from operations<sup>2</sup></b>	1.42	(0.09)	1.04	0.62
<b>Distributions;</b>				
From income (excluding dividends)	-	(0.13)	(0.08)	(0.09)
From dividends	-	-	-	-
	-	(0.13)	(0.08)	(0.09)
From capital gains	-	(0.18)	-	(0.10)
Return of capital	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.31)	(0.08)	(0.19)
<b>Net assets, end of period<sup>4</sup></b>	\$12.79	\$11.43	\$11.38	\$10.43

(1) This information is derived from the Pool's unaudited interim financial statements

(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	2019	2018	2017	2016
Total net asset value (000's) <sup>4</sup>	\$4,648	\$4,841	\$2,088	\$5
Number of units outstanding <sup>4</sup>	363,412	423,481	183,519	509
Management expense ratio <sup>5</sup>	0.77%	0.83%	0.85%	0.74%
Management expense ratio before waivers or absorptions	1.07%	1.19%	1.52%	67.40%
Trading expense ratio <sup>6</sup>	0.03%	0.02%	0.03%	0.15%
Portfolio turnover rate <sup>7</sup>	16.39%	13.71%	8.79%	0.47%
Net asset value per unit	\$12.79	\$11.43	\$11.38	\$10.43

(4) This information is provided at June 30, 2019 and December 31 of prior years shown

(5) The management expense ratio (MER) is based on total expenses (excluding commissions and other portfolio 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 values 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.

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### **Management Fees**

ATB Investment Management Inc. receives management fees of 1.75% per annum for Series A and 0.75% 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 , the Pool paid ATB Investment Management Inc. management fees of \$19,323. The Pool's management fees were used by ATB Investment Management Inc. to pay costs for managing the investment portfolio, to provide investment analysis and recommendations, to make investment decisions, to purchase and sell investments and to provide other services.

### **Past Performance**

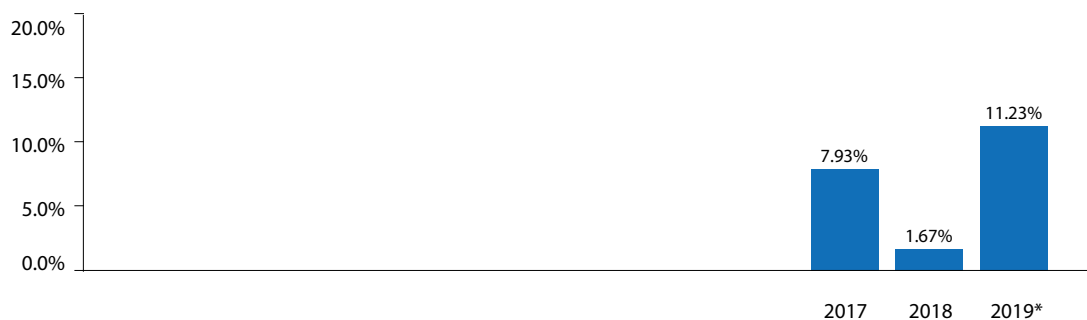
The performance information shown assumes all distributions made by the Pool were reinvested into additional units of the Pool. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance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

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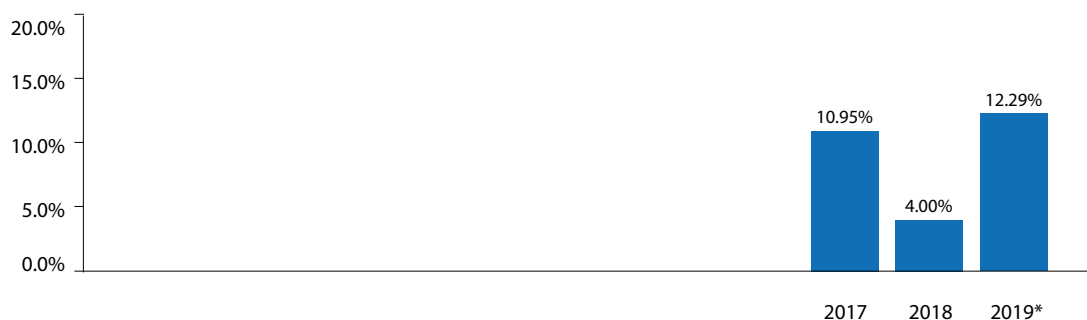
## Year by Year Returns

The following information shows the Pool's performance for the six months ended June 30, 2019 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.

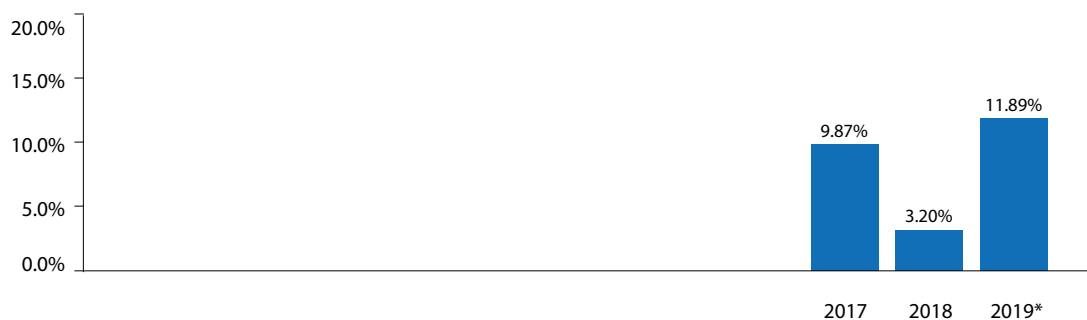
Series A



Series O



Series F1



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

\* For the period January 1, 2019 to June 30, 2019

**Summary of Investment Pool**

As at June 30, 2019

<b>ATBIS US Equity Pool</b>	<b>% Weight</b>
Equities	97.8%
Communication Services	8.7%
Consumer Discretionary	8.7%
Consumer Staples	5.8%
Energy	2.6%
Financials	16.5%
Health Care	13.8%
Industrials	13.9%
Info Technology	19.1%
Materials	4.7%
Real Estate	2.4%
Utilities	1.6%
Private Equity	0.0%
Fixed Income	0.0%
Cash & Other	2.2%
Total	100.0%

<b>ATBIS US Equity Pool</b>	<b>% Weight</b>
Equities	
US	97.8%
Cash & Other	2.2%
Total	100.0%

<b>Top 25 Holdings</b>	<b>% Weight</b>
BlackRock CDN US Equity Index Fund	38.3%
Mawer U.S. Equity Fund	29.5%
iShares Core S&P Small-Cap ETF	17.5%
Cash and Cash Equivalent	1.0%
Verisk Analytics, Inc. Cl. A	0.7%
Marsh & McLennan Companies, Inc.	0.6%
Visa Inc. Cl. A	0.6%
Comcast Corporation Cl. A	0.5%
Alphabet Inc. Cl. C	0.5%
Becton, Dickinson and Company	0.4%
CME Group Inc. Cl. A	0.4%
Microsoft Corporation	0.4%
AMETEK, Inc.	0.4%
Ansys Inc.	0.4%
The Procter & Gamble Company	0.4%
Willis Towers Watson PLC	0.4%
MasterCard Incorporated Cl. A	0.4%
Waters Corporation	0.4%
AptarGroup, Inc.	0.3%
JPMorgan Chase & Co.	0.3%
S&P Global, Inc.	0.3%
Intuit Inc.	0.3%
Verizon Communications Inc.	0.3%
Johnson & Johnson	0.3%
Nike Inc. Cl. B	0.3%

Total Fund Net Asset Value \$ 43,560,272

The summary of investment Portfolio may change due to ongoing Portfolio transactions in the investment fund. The most recent annual reports are available at no cost by calling 1-888-ATB-FUND, by e-mailing atbimservice@atb.com. 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.

**Readers should not place undue reliance on forward-looking statements, as actual results may differ materially from plans, objectives, and expectations.** The Pool does not undertake to update any forward-looking statement contained in this report.

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