

BAROMETER CAPITAL MANAGEMENT INC.

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE
for the six-month period ended June 30, 2020

Barometer Disciplined Leadership Equity Fund



This Interim Management Report of Fund Performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You may obtain a copy of the interim financial report or annual financial statements at your request, and at no cost, by calling 1-866-601-6888, by writing to us at Barometer Capital Management Inc., Mutual Fund Account Documentation, 1 University Avenue, Suite 1800, P.O. Box 25, Toronto, Ontario M5J 2P1, or by visiting our website at www.barometercapital.ca or SEDAR at www.sedar.com. Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Forward-Looking Statements (“FLS”)

The interim Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action, and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may”, “will”, “should”, “expect”, “anticipate”, “target”, “project”, “estimate”, “intend”, “continue” or “believe”, or the

negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of one of the Barometer Group of Funds (each a “Fund”) may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in the Fund?” in the Fund’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a Fund’s current plans, estimates, opinions and analysis made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

BAROMETER DISCIPLINED LEADERSHIP EQUITY FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance for the six-month period ended June 30, 2020

This interim Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook from December 31, 2019, the investment fund's fiscal year end, to June 30, 2020. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the Barometer Group of Funds' Simplified Prospectus ("Prospectus") and Annual Information Form. In this report, "Barometer", "Manager", "Trustee" or "Portfolio Advisor" refers to Barometer Capital Management Inc., the Manager, Trustee and Portfolio Advisor of the Fund. The "Fund" refers to the Barometer Disciplined Leadership Equity Fund. In addition, "net asset value" or "NAV" refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based. All dollar figures are reported in Canadian dollars and are expressed in millions, unless otherwise indicated.

Investment Objective and Strategies

The Fund seeks to provide long-term capital appreciation by investing primarily in equity securities without geographic restrictions. Holdings are not restricted by market capitalization, size or sector, and there is an emphasis on investing in actively traded securities.

Results of Operations

During the six-month period ended June 30, 2020, Class A units returned 15.4% and Class F units returned 16.0%. The Fund's benchmark is a 25/70/5 blend of the S&P/TSX Composite Total Return Index, MSCI World Net Total Return Index, and the MSCI World Index (CAD), which returned -2.2% for the six-month period ended June 30, 2020. It is important to note that the Fund's return reflects the effect of fees and expenses for professional management, while the benchmark does not have such costs.

The net asset value of the Fund decreased by 8.3% from \$10.9 million on December 31, 2019, to \$10.0 million on June 30, 2020. This change was composed primarily of net redemptions of \$2.7 million, offset by an increase in investment performance for the six-month period ended June 30, 2020.

The Fund outperformed the blended benchmark by 17.6% and 18.2%, for each respective class, primarily due to exposure of outperforming sectors within the equity markets and companies that were able to maintain strong growth and earnings over the period.

During the period, the market faced difficult headlines, negative economic numbers, and declining earnings in many sectors of the economy; however, as the year progressed the second half of the quarter showed recovery for the equity markets.

As the six-month period came to an end, the markets are recovering from the current crisis and sectors that have benefited from this period. Broadly speaking, companies exhibiting above average revenue growth outperformed other stocks. With global economic data looking very weak for the majority of the period, concerns about growth remained at the forefront of investors' minds. As a result, the price investors were willing to pay for companies with durable revenue growth increased and in turn, traded at relatively high multiples.

In addition, the market has also been supported by the historic policy response of both fiscal and monetary support which to date has been sufficient to offset the estimated initial shock from the Coronavirus pandemic and spillovers to the full economy. The U.S. Federal Reserve, through the announcement of their \$750 billion primary and secondary credit market facilities was able to stave off the severe credit market stress. Credit markets were buoyed by the knowledge that the U.S. Federal Reserve was watching and providing support where necessary. In effect, this indirect bailout provided U.S. companies needed access to credit markets during the second quarter.

Individually, the S&P/TSX Composite Total Return Index, MSCI World Net Total Return Index (CAD), and the FTSE TMX Canada Universe Bond Index posted returns of -7.5%, -1.1%, and 7.5%, respectively, with most equity sectors experiencing declines over the period as earnings concerns drove down valuations of many companies.

Throughout the first half of 2020, the Manager repositioned the Fund into different sectors which increased its exposure to the materials, communication services, and healthcare sectors; while at the same time reduced its exposure to the financial sector and eliminated its exposure to the consumer discretionary and utilities sectors.

Exposure to the materials sector weighting increased from 4.9% to 16.2% over the six-month period, as the sector performed well, most specifically in gold companies. Gold companies benefitted from a rise in the price of bullion as investors increased gold positions during a time of uncertainty. Material related positions such as Equinox Gold Corporation and Newmont Corporation, which gained 45.0% and 38.1%, respectively, had a positive impact on the Fund's performance.

In addition, existing positions in the communication services sector weighting increased to approximately 14.7% from 3.6% over the six-month period, as the sector benefitted from a work from home environment in many sectors of the economy due to the Coronavirus pandemic. Healthcare sector weighting related positions increased to 9.3% from 3.4%, as a result of strong investor support during a global health emergency; especially companies working towards treatments or potential vaccine for the Coronavirus. Communication services positions such as Sea Limited and Activision Blizzard Inc., as well as healthcare positions such as Schrodinger Inc. and Vertex Pharmaceuticals Inc., all had a positive impact on the Fund's performance which gained 72.6%, 9.8%, 21.4%, and 18.2%, respectively.

*Class I of the Barometer Disciplined Leadership Equity Fund was launched on December 10, 2018, and had a full redemption on April 16, 2020.

BAROMETER DISCIPLINED LEADERSHIP EQUITY FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

Management Discussion of Fund Performance for the six-month period ended June 30, 2020

During the six-month period, the Fund reduced its exposure in the financial sector weighting from 12.4% to 2.7%, as a result of this sector underperforming as the economy declined during the Coronavirus pandemic, due to concerns over potentially underperforming loans and the potential stress on the mortgage and housing market. Financial related positions such as CI Financial Corporation and Element Fleet Management Corporation, which declined 24.3% and 5.0%, respectively, had a negative impact on the Fund's performance.

In addition, existing positions in the consumer discretionary and utilities sectors were eliminated. The broad consumer market was adversely affected from a large decrease in consumer spending while utility companies continued to underperform in growth areas of the market – not keeping pace with technology and healthcare companies. Consumer discretionary companies such as Planet Fitness Inc. and Peloton Interactive Inc. and utility related positions such as Capital Power Corporation and TransAlta Renewables Inc., which declined 8.6%, 7.0%, 28.3%, and 19.6%, respectively, all had a negative impact on the Fund's performance.

The investment performance of the Fund includes income and expenses which vary year over year. The Fund's income and expenses changed compared to the previous year, mostly as a result of fluctuations in average net assets, portfolio activity and changes in the Fund's investments.

Recent Developments

The market has remained resilient with fiscal and monetary support, as well as strength in leading sectors. As the world begins to open their economies, one country at a time, we begin to see some key economic indicators begin to look more positive. However, Barometer maintains poised to take defensive steps if the market begins to decline. A potentially slower re-opening and a sluggish economic recovery has the market on alert, and Barometer continues to monitor all our market models closely.

Related Party Transactions

Related party transactions consist of services provided by the Manager to the Fund. Pursuant to the management agreement, the Manager receives a management fee from the Fund amounting to 1.95% and 0.95% from Class A and Class F unitholders of the Fund, respectively. The Manager may also receive a negotiated management fee directly from Class I unitholders. Management fees are accrued in arrears daily (plus applicable taxes) and paid monthly. The management fee is in consideration for providing management, portfolio management, and administrative services and facilities to the Fund, as well as trailing commissions paid to dealers for Class A units.

The percentages and major services paid out of management fees are set out below:

Units	As a percentage of Management Fees		
	Management Fees (%)	Dealer Compensation (%)	General Administration, Investment Advice and Profit (%)
Class A	1.95	51	49
Class F	0.95	-	100
Class I	-	-	-

For the six-month period ended June 30, 2020, the management fee earned, inclusive of applicable taxes, was \$0.07 million.

As compensation for its services as a portfolio advisor of the Fund, the Portfolio Advisor is entitled to receive a performance fee (the "Performance Fee") from the Class A units and Class F units of the Fund equal to 20% of the amount by which the NAV per unit of that class of the Fund at the end of a year (the "Year-End Class NAV per Unit") exceeds the annual target NAV per unit of that class of the Fund (the "Year-End Target Class NAV per Unit"), multiplied by the number of outstanding units of that class of the Fund at the end of that year (the "Year-End Class Units"), plus applicable taxes.

The Performance Fees are calculated and accrued daily and paid at the end of each year or upon redemption. There were no accrued Performance Fees for the six-month period ended June 30, 2020.

BAROMETER DISCIPLINED LEADERSHIP EQUITY FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2020

The following tables show selected key financial information about the Class A, F, and I units of the Fund, respectively, and are intended to help you understand the Fund's financial performance for the past 5 years and for the interim period.

The Fund's Net Asset Value (NAV)						
per Class A Unit (1) (2)						
	2020	2019	2018	2017	2016	2015
Net asset value, beginning of period	\$11.08	\$10.04	\$13.11	\$11.85	\$11.40	\$10.68
Increase (decrease) from operations:						
Total revenue	0.09	0.17	0.10	0.11	0.14	0.13
Total expenses	(0.21)	(0.36)	(0.35)	(0.33)	(0.32)	(0.34)
Realized gains/(losses) for the period	0.85	0.62	(1.20)	0.98	0.75	0.75
Unrealized gains/(losses) for the period	0.88	0.99	(1.63)	0.50	(0.09)	0.10
Total increase (decrease) from operations (3)	\$1.61	\$1.42	(\$3.08)	\$1.26	\$0.48	\$0.64
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions (3) (4)	-	-	-	-	-	-
Net asset value, end of period (3)	\$12.79	\$11.08	\$10.04	\$13.11	\$11.85	\$11.40
Ratios and Supplemental Data						
Total net asset value (5)	\$4,661,503	\$ 4,540,870	\$11,392,937	\$14,425,739	\$16,682,531	\$17,449,480
Number of units outstanding (5)	364,521	409,867	1,137,197	1,100,129	1,408,151	1,530,413
Management expense ratio (6)	3.84%	3.31%	2.68%	2.66%	2.75%	2.80%
Trading expense ratio (7)	1.39%	0.87%	0.87%	0.80%	1.00%	0.61%
Portfolio turnover rate (8)	373.29%	467.76%	512.67%	372.88%	483.06%	366.22%
Net asset value per unit	\$12.79	\$11.08	\$10.04	\$13.11	\$11.85	\$11.40
The Fund's Net Asset Value (NAV)						
per Class F Unit (1) (2)						
Net asset value, beginning of period	\$11.85	\$10.62	\$13.72	\$12.26	\$11.67	\$10.81
Increase (decrease) from operations:						
Total revenue	0.10	0.18	0.10	0.12	0.15	0.13
Total expenses	(0.16)	(0.26)	(0.22)	(0.21)	(0.20)	(0.21)
Realized gains/(losses) for the period	0.85	0.69	(1.19)	1.09	0.75	0.65
Unrealized gains/(losses) for the period	0.80	0.87	(1.56)	0.44	(0.09)	0.14
Total increase (decrease) from operations (3)	\$1.58	\$1.48	(\$2.87)	\$1.44	\$0.61	\$0.71
Distributions:						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From capital gains	-	-	-	-	-	-
Return of capital	-	-	-	-	-	-
Total annual distributions (3) (4)	-	-	-	-	-	-
Net asset value, end of period (3)	\$13.75	\$11.85	\$10.62	\$13.72	\$12.26	\$11.67
Ratios and Supplemental Data						
Total net asset value (5)	\$5,339,035	\$ 6,039,773	\$11,174,484	\$17,010,883	\$14,786,423	\$17,082,536
Number of units outstanding (5)	388,375	509,876	1,054,545	1,240,204	1,206,439	1,464,261
Management expense ratio (6)	2.75%	2.24%	1.57%	1.55%	1.64%	1.69%
Trading expense ratio (7)	1.39%	0.87%	0.87%	0.80%	1.00%	0.61%
Portfolio turnover rate (8)	373.29%	467.76%	512.67%	372.88%	483.06%	366.22%
Net asset value per unit	\$13.75	\$11.85	\$10.62	\$13.72	\$12.26	\$11.67

BAROMETER DISCIPLINED LEADERSHIP EQUITY FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – June 30, 2020

The Fund's Net Asset Value (NAV) per Class I Unit (1)	2020**	2019	2018*
Net asset value, beginning of period	\$10.72	\$9.49	\$10.00
Increase (decrease) from operations:			
Total revenue	0.07	0.21	0.01
Total expenses	(0.05)	(0.11)	-
Realized gains/(losses) for the period	(0.32)	0.02	(0.39)
Unrealized gains/(losses) for the period	(0.38)	2.07	0.10
Total increase (decrease) from operations (3)	(\$0.68)	\$2.19	(\$0.48)
Distributions:			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	-	-	-
Total annual distributions (3) (4)	-	-	-
Net asset value, end of period (3)	-	\$10.72	\$9.49
Ratios and Supplemental Data			
Total net asset value (5)	-	\$ 319,811	\$2,195,536
Number of units outstanding (5)	-	29,821	231,994
Management expense ratio (6)	0.96%	1.10%	0.82%
Trading expense ratio (7)	1.39%	0.87%	0.87%
Portfolio turnover rate (8)	373.29%	467.76%	512.67%
Net asset value per unit	-	\$10.72	\$9.49

*Class I of the Fund was created on December 10, 2018.

**Full Class I unitholder redemption as at April 16, 2020.

Notes:

- (1) This information is derived from the Fund's interim financial statements for June 30, 2020 and is not a reconciliation of beginning and ending net assets per unit.
- (2) The Fund commenced operations on January 1, 2014; as a result, financial highlights are currently available for the past five years, and for the interim period.
- (3) Net assets 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 period.
- (4) As at June 30, 2020, and December 31, of year shown, there were no distributions to be reinvested.
- (5) This information is provided as at June 30, 2020 and December 31, of the year shown, as applicable.
- (6) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period.
- (7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period. Included in the trading expense ratio are the forward fees.
- (8) The Fund's portfolio turnover rate indicates how actively the Fund's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the units in its portfolio once in the course of the period. The higher a funds' portfolio turnover rate in the period, the greater the trading costs payable by a fund 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 fund.

BAROMETER DISCIPLINED LEADERSHIP EQUITY FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

Past Performance – June 30, 2020

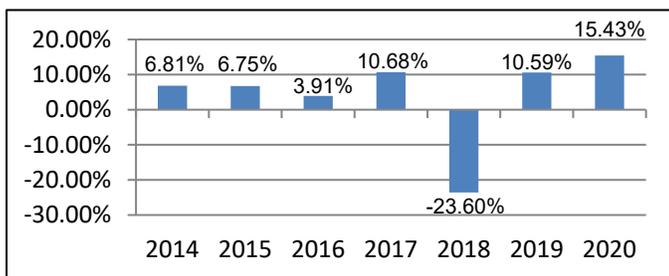
The following information shown assumes that all distributions made by the Fund in the period shown were reinvested in additional securities of the investment fund and does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund will perform in the future.

Year-by-Year Returns

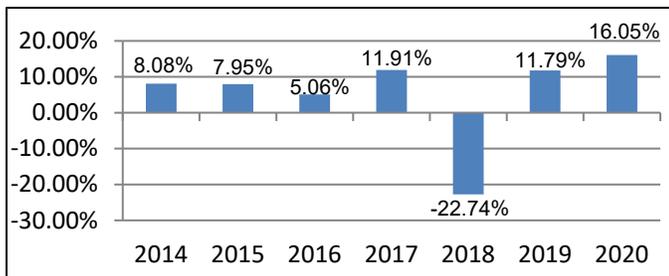
The following bar charts show the Fund's annual performance for each of the years shown, as applicable, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment in Class A, F, and I[†] units, respectively, made on the first day of each financial year would have grown or decreased by the last day of the financial year or interim period.

The annual returns for the years ended December 31, and the six-month period ended June 30, 2020, are as follows:

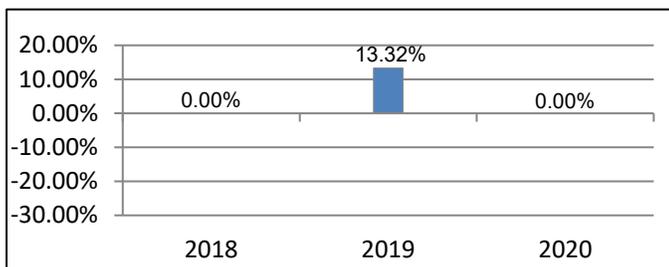
Class A



Class F



Class I[†]



[†] Class I of the Fund was created on December 10, 2018. As a result, there was not a full year of performance data available. In addition, Class I of the Fund had a full redemption on April 16, 2020.

Benchmark(s) Information

The benchmark for the Fund is determined by a compounded 25:70:5 blend of the S&P/TSX Composite Total Return Index, MSCI World Net Total Return Index denominated in Canadian dollars and the FTSE TMX Canada Universe Bond Index. The S&P/TSX Composite Total Return Index is the headline index for the Canadian Equity market. It is the broadest in the S&P/TSX family and is the basis for multiple sub-indices including but not limited to Equity Indices, Income Trust Indices, Capped Indices, GICS Indices and Market Cap based Indices.¹ The MSCI World Net Total Return Index (CAD) is a free float-adjusted market capitalization weighted index that is designed to capture large and mid-cap representations across developed markets. The MSCI World Net Total Return Index (CAD) consists of 23 developed country indices.² The FTSE TMX Canada Universe Bond Index is comprised of a broadly diversified selection of investment-grade Government of Canada, provincial, corporate and municipal bonds issued in Canada.³

¹ "S&P/TSX Composite Total Return Index." S&P Dow Jones Indices by S&P Global. Web. June 30, 2020.

² "MSCI World Net Total Return Index (CAD)." MSCI Index Fact Sheet. Web. June 30, 2020.

³ "FTSE TMX Canada Universe Bond Index." Ground Rules for FTSE TMX Canada Universe and Maple Bond Index Series v3.2 Web. June 30, 2020.

BAROMETER DISCIPLINED LEADERSHIP EQUITY FUND

MANAGEMENT REPORT OF FUND PERFORMANCE

Summary of Investment Portfolio as at June 30, 2020

The following table shows selected key financial information about the Fund and is intended to assist in the understanding of the Fund's financial performance for the six-month period ended June 30, 2020.

Portfolio Composition		Top 25 Holdings	
Sector Allocation	% of Net Asset Value	Issuer	% of Net Asset Value
Information Technology	26.65	Cash and cash equivalents	7.88
Materials	16.17	Schrodinger Inc.	3.86
Communication Services	14.72	Vivo Cannabis Inc. 6% 28FEB21 CONV. \$4.00	3.73
Industrials	10.73	Great Bear Resources Ltd.	3.66
Health Care	9.29	Real Matters Inc.	3.47
Cash and cash equivalents	7.88	Equinox Gold Corp.	3.38
Consumer Staples	4.32	Sea Ltd.	3.36
Fixed Income	3.73	Kinaxis Inc.	3.10
Real Estate	3.47	Netflix Inc.	3.10
Financials	2.69	NVIDIA Corp.	3.10
Foreign Currency Forward Contracts	0.35	First Quantum Minerals Ltd.	3.08
Total Portfolio Allocation	100.00%	Ballard Power Systems Inc.	3.07
		Dundee Precious Metals Inc.	3.05
		Cargojet Inc.	3.04
		Match Group Inc.	2.91
		Activision Blizzard Inc.	2.89
		ResMed Inc.	2.88
		MongoDB Inc.	2.77
		Cadence Design Systems Inc.	2.74
		Kinross Gold Corp.	2.73
		The Descartes Systems Group Inc.	2.72
		Splunk Inc.	2.71
		S&P Global Inc.	2.69
		SolarEdge Technologies Inc.	2.65
		Shopify Inc.	2.58
		Total Percentage of Net Asset Value Represented by Holdings	81.15%
Total Net Asset Value (in millions)	\$10.0		

The "Top 25 Holdings" of the Fund, as a percentage of Net Asset Value of the Fund, have been presented in accordance with National Instrument 81-106.

The Investment Portfolio may change due to ongoing portfolio transactions of the Fund. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.

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