

## ATBIS U.S. Equity Pool

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As at June 30, 2023

*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 [atbimservice@atb.com](mailto:atbimservice@atb.com), by contacting your dealer or by visiting SEDAR at [www.sedar.com](http://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's ("Pools") 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's 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 \$149 million as at June 30, 2023, from \$127 million at the end of 2022. 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 9.17%, underperforming the benchmark return of 14.37%.\* 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 benchmark is the S&P 500 Total Return Index (CAD)

#### Changes

There are no 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").

#### Recent Developments

The first half of 2023 saw headline inflation globally begin to moderate - particularly in North America, although core measures remained persistent, albeit at lower levels. Higher interest rates are putting stress on bank balance sheets, as seen with the bank failures in the US. Despite the added strain on the financial system, central banks appear to be determined to raise rates as necessary to bring inflation back down to target levels. Effects of the political drama surrounding the US debt ceiling was largely limited to capital markets, inducing some volatility during May, but the resulting suspension of the ceiling until 2025 should bring stability to the budgetary process for the near future.

The following provides an asset class specific commentary for the Portfolio. Returns are inclusive of the portfolios pro-rata share, where applicable, of any investment in an underlying fund (i.e. it is provided on a look-through basis):

The Pool targets being fully invested in US equities. Equity markets advanced on economic resiliency and continued revenue and earnings growth keeping pace with inflation. Commodity prices moderated leaving Canadian equity prices to rally less

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compared to other regions. Technology overall proved to be the favorite rallying on potential future growth from artificial intelligence providing the biggest gains to the tech heavy US market driving up valuations. US stocks are beginning to look expensive on valuations when compared to prevailing interest rates and stocks found elsewhere globally.

The US equities within the Pool saw overall positive returns during the period, although the holdings did not add on a relative basis compared to the blended benchmark. In a reversal from 2022 where technology lagged, information technology stocks rallied significantly where the Pool had relatively less holdings. Both small and mid-cap holdings in the Pool continue to look relatively undervalued on valuations compared to large-cap stocks but the allocation to these small and mid-size companies detracted from relative performance for the year.

### **Summary**

The first half of 2023 may not have unfolded as expected. The economy largely remains resilient in the face of the highest interest rates seen since the mid-2000s for many developed economies. The banking failures that occurred earlier in the year feel like a distant memory. It could be the artificial intelligence theme pushing up certain sectors like technology, but overall both bond and stock markets saw positive returns and are up significantly from 2022 lows. The Pool is well positioned to help mitigate the short-term impact of volatility and achieve our portfolio investment objectives over the long run.

### **Related Party Transactions**

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

The Manager provides the Portfolio with administrative services, including providing key management personnel to the Portfolio. In return the Manager receives an administrative fee which is allocated among the Series based on the average net asset value of each Series. Administrative expense (excluding GST) paid by the Portfolio to the Manager for services provided by ATB Financial and its subsidiaries was \$18,675 for the period ended June 30, 2023 (\$17,532 - June 30, 2022).

As of December 31, 2023, ATBIM has absorbed \$78,169 of operating expenses in the Pool.

ATBIM is the sole investor in Series A of the Pool. As at December 31, 2022 ATBIM held 536 redeemable units, valued at \$9,072 representing 0.006% 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, 2023 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	2023	2022	2021	2020	2019	2018
<b>Net assets, beginning of period<sup>1</sup></b>	\$15.67	\$17.95	\$14.55	\$13.05	\$10.96	\$11.24
<b>Increase (decrease) from operations;</b>						
Total revenue	0.09	0.19	0.14	0.19	0.19	0.12
Total expenses	(0.16)	(0.30)	(0.31)	(0.25)	(0.24)	(0.29)
Net investment income (loss)	(0.07)	(0.11)	(0.17)	(0.06)	(0.05)	(0.17)
Realized gains (losses) for the period	0.25	0.20	0.47	(0.05)	0.37	0.25
Unrealized gains (losses) for the period	1.09	(2.37)	3.09	1.62	1.88	0.98
Net gain (loss) on investment for the period	1.34	(2.17)	3.56	1.57	2.25	1.23
<b>Total increase (decrease) from operations<sup>2</sup></b>	1.27	(2.28)	3.39	1.51	2.20	1.06
<b>Distributions;</b>						
From income (excluding dividends)	-	-	-	-	-	-
From dividends	-	-	-	-	-	-
From net investment income	-	-	-	-	-	-
From capital gains	-	-	-	-	(0.11)	(0.48)
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	-	-	-	(0.11)	(0.48)
<b>Net assets, end of period<sup>4</sup></b>	\$16.94	\$15.67	\$17.95	\$14.55	\$13.05	\$10.96

(1) This information is derived from the Pool's audited annual financial statements as at December 31 of the years shown, except 2023, which is derived from the Pool's unaudited interim financial statements for the six months ended June 30, 2023.

(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	2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>4</sup>	\$9	\$8	\$10	\$8	\$7	\$6
Number of units outstanding <sup>4</sup>	536	536	536	536	536	531
Management expense ratio <sup>5</sup>	1.93%	1.94%	1.92%	1.93%	1.96%	2.48%
Management expense ratio before waivers or absorptions	2.38%	2.38%	2.35%	2.55%	2.67%	3.08%
Trading expense ratio <sup>6</sup>	0.00%	0.01%	0.01%	0.02%	0.02%	0.02%
Portfolio turnover rate <sup>7</sup>	8.46%	18.25%	26.61%	37.63%	25.80%	13.71%
Net asset value per unit	\$16.94	\$15.67	\$17.95	\$14.55	\$13.05	\$10.96

(4) This information is provided at June 30, 2023 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 U.S. Equity Pool (continued)

## Financial Highlights (continued)

ATBIS U.S. Equity Pool - Series O						
PERIOD	2023	2022	2021	2020	2019	2018
<b>Net assets, beginning of period<sup>1</sup></b>	\$16.99	\$19.31	\$15.47	\$13.77	\$11.44	\$11.45
<b>Increase (decrease) from operations;</b>						
Total revenue	0.09	0.22	0.16	0.20	0.20	0.20
Total expenses	-	-	-	-	(0.01)	-
Net investment income (loss)	0.09	0.22	0.16	0.20	0.19	0.20
Realized gains (losses) for the period	0.28	0.23	0.54	(0.04)	0.39	0.41
Unrealized gains (losses) for the period	1.18	(2.21)	3.31	1.96	1.98	(0.26)
Net gain (loss) on investment for the period	1.46	(1.98)	3.85	1.92	2.37	0.15
<b>Total increase (decrease) from operations<sup>2</sup></b>	1.55	(1.76)	4.01	2.12	2.56	0.35
<b>Distributions;</b>						
From income (excluding dividends)	-	(0.19)	(0.14)	(0.14)	(0.13)	(0.24)
From dividends	-	-	-	(0.03)	-	-
From net investment income	-	(0.19)	(0.14)	(0.17)	(0.13)	(0.24)
From capital gains	-	-	-	-	(0.11)	(0.23)
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.19)	(0.14)	(0.17)	(0.24)	(0.47)
<b>Net assets, end of period<sup>4</sup></b>	\$18.55	\$16.99	\$19.31	\$15.47	\$13.77	\$11.44

- (1) This information is derived from the Pool's audited annual financial statements as at December 31 of the years shown, except 2023, which is derived from the Pool's unaudited interim financial statements for the six months ended June 30, 2023.
- (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	2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>4</sup>	\$139,516	\$119,312	\$106,294	\$60,957	\$43,734	\$33,641
Number of units outstanding <sup>4</sup>	7,521,518	7,021,936	5,503,558	3,939,199	3,177,139	2,940,411
Management expense ratio <sup>5</sup>	0.00%	0.02%	0.02%	0.02%	0.04%	0.04%
Management expense ratio before waivers or absorptions	0.11%	0.12%	0.13%	0.23%	0.31%	0.37%
Trading expense ratio <sup>6</sup>	0.00%	0.01%	0.01%	0.02%	0.02%	0.02%
Portfolio turnover rate <sup>7</sup>	8.46%	18.25%	26.61%	37.63%	25.80%	13.71%
Net asset value per unit	\$18.55	\$16.99	\$19.31	\$15.47	\$13.77	\$11.44

- (4) This information is provided at June 30, 2023 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.

## Financial Highlights (continued)

ATBIS U.S. Equity Pool - Series F1						
PERIOD	2023	2022	2021	2020	2019	2018
<b>Net assets, beginning of period<sup>1</sup></b>	\$16.93	\$19.25	\$15.46	\$13.76	\$11.43	\$11.38
<b>Increase (decrease) from operations;</b>						
Total revenue	0.10	0.20	0.16	0.20	0.20	0.22
Total expenses	(0.07)	(0.13)	(0.14)	(0.11)	(0.10)	(0.10)
Net investment income (loss)	0.03	0.07	0.02	0.09	0.10	0.12
Realized gains (losses) for the period	0.27	0.22	0.51	(0.03)	0.38	0.44
Unrealized gains (losses) for the period	1.22	(2.91)	3.30	2.45	2.11	(0.65)
Net gain (loss) on investment for the period	1.49	(2.69)	3.81	2.42	2.49	(0.21)
<b>Total increase (decrease) from operations<sup>2</sup></b>	1.52	(2.62)	3.83	2.51	2.59	(0.09)
<b>Distributions;</b>						
From income (excluding dividends)	-	(0.07)	(0.03)	(0.07)	(0.03)	(0.13)
From dividends	-	-	-	(0.02)	-	-
From net investment income	-	(0.07)	(0.03)	(0.09)	(0.03)	(0.13)
From capital gains	-	-	-	-	(0.10)	(0.18)
Return of capital	-	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	-	(0.07)	(0.03)	(0.09)	(0.13)	(0.31)
<b>Net assets, end of period<sup>4</sup></b>	\$18.41	\$16.93	\$19.25	\$15.46	\$13.76	\$11.43

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

## Ratios and Supplemental Data

PERIOD	2023	2022	2021	2020	2019	2018
Total net asset value (000's) <sup>4</sup>	\$9,292	\$7,785	\$10,218	\$8,540	\$5,724	\$4,841
Number of units outstanding <sup>4</sup>	504,819	459,993	530,726	552,335	416,046	423,481
Management expense ratio <sup>5</sup>	0.79%	0.82%	0.81%	0.81%	0.80%	0.83%
Management expense ratio before waivers or absorptions	0.96%	0.95%	0.95%	1.04%	1.10%	1.19%
Trading expense ratio <sup>6</sup>	0.00%	0.01%	0.01%	0.02%	0.02%	0.02%
Portfolio turnover rate <sup>7</sup>	8.46%	18.25%	26.61%	37.63%	25.80%	13.71%
Net asset value per unit	\$18.41	\$16.93	\$19.25	\$15.46	\$13.76	\$11.43

- (4) This information is provided at June 30, 2023 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.
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### **Management Fees**

ATBIM 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 June 30, 2023, the Pool paid ATBIM management fees of \$32,122. 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. There are no trailer fees associated with the Fund.

### **Past Performance**

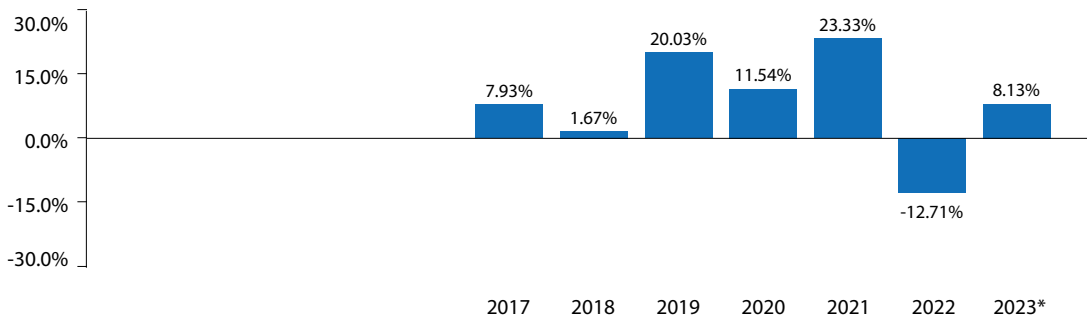
The performance information shown assumes all distributions made by the Pool were reinvested into additional units of the Pool. The performance information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns or performance. Past performance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

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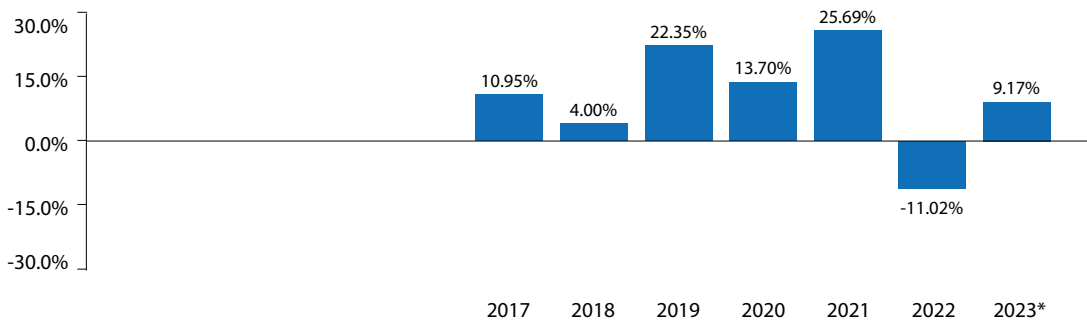
### Year by Year Returns

The following information shows the Pool’s performance for the six months ended June 30, 2023 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.

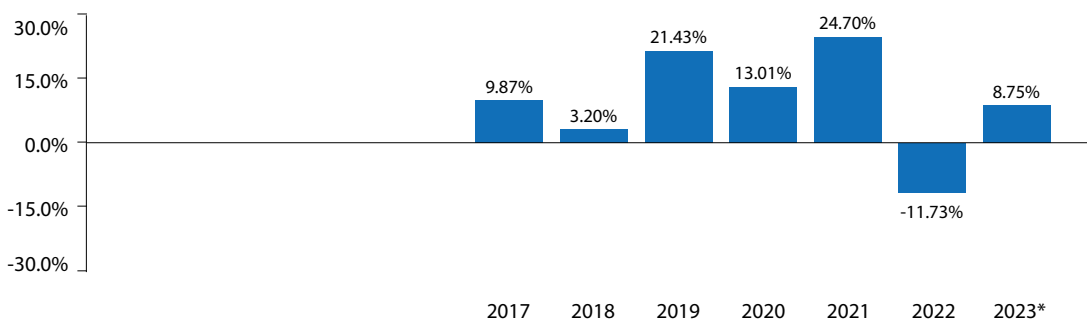
Series A



Series O



Series F1



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

\*For the period January 1, 2023 to June 30, 2023

Semi-Annual Management Report of Fund Performance  
 ATBIS U.S. Equity Pool (continued)

**Summary of Investment Pool**

As at June 30, 2023

<b>ATBIS US Equity Pool</b>	<b>% Weight</b>
Equities	97.3%
Communication Services	5.6%
Consumer Discretionary	7.5%
Consumer Staples	6.8%
Energy	1.7%
Financials	20.0%
Health Care	14.5%
Industrials	13.3%
Info Technology	18.1%
Materials	5.8%
Real Estate	1.9%
Utilities	2.1%
Cash & Other	2.7%
<b>Total</b>	<b>100.0%</b>

<b>ATBIS US Equity Pool</b>	<b>% Weight</b>
Equities	
US	97.3%
Cash & Other	2.7%
<b>Total</b>	<b>100.0%</b>

<b>Top 25 Holdings</b>	<b>% Weight</b>
BMO S&P 500 Index ETF	14.7%
Mawer U.S. Equity Fund Series O	14.4%
BMO S&P US Small Cap Index ETF	9.5%
BMO S&P US Mid Cap Index ETF	9.0%
BlackRock CDN US Equity Index Fund Cl. D	7.3%
Cash and Cash Equivalent	2.4%
Microsoft Corporation	2.2%
Marsh & McLennan Companies, Inc.	2.0%
Amphenol Corporation Cl. A	1.9%
Visa Inc. Cl. A	1.8%
Verisk Analytics, Inc. Cl. A	1.8%
Alphabet Inc. Cl. C	1.6%
Arthur J. Gallagher & Co.	1.5%
The Procter & Gamble Company	1.4%
Becton, Dickinson and Company	1.3%
UnitedHealth Group Incorporated	1.2%
CME Group Inc. Cl. A	1.2%
Johnson & Johnson	1.2%
Amazon.com, Inc.	1.1%
Waters Corporation	1.1%
Paychex, Inc.	1.0%
AmerisourceBergen Corporation Cl. A	0.9%
Martin Marietta Materials, Inc.	0.9%
Verizon Communications Inc.	0.8%
Cognizant Technology Solutions Corp. Cl. A	0.8%

Total Fund Net Asset Value \$148,817,296

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](mailto:ATBFunds@atb.com) or by visiting our website at [atbim.atb.com](http://atbim.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.

**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.

ATB Investment Management Inc.  
Suite 2100, 10020 100 Street NW  
Edmonton Alberta  
T5J 0N3  
1-855-386-2282  
ATBFunds@atb.com  
atbim.atb.com

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