



## Management Report of Fund Performance

The Interim Management Report of Fund Performance contains Financial Highlights but does not contain the complete annual financial statements of the Investment Fund.

For the period ended  
June 30, 2020 (Unaudited)

**Waypoint All Weather Alternative Fund**

## **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 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.

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### Financial Highlights – June 30, 2020

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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 for the period ended 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 Waypoint All Weather Alternative Funds' (formerly All Weather Fund) Declaration of Trust. In this report, "Manager", refers to Waypoint Investment Partners Inc., the Manager of the Fund. "The "Fund" refers to the Waypoint All Weather Alternative Fund (formerly All Weather 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 investors with attractive risk-adjusted investment returns over the long term by investing in, or obtaining exposure to, issuers that the Manager believes are not typically included in institutional investment mandates. The Fund may use alternative investment strategies including borrowing for investment purposes and the use of derivatives including options trading to seek to manage market volatility. The Fund's aggregate exposure to leverage through these strategies will not exceed three times its Net Asset Value ("NAV"), measured on a daily basis. The Fund is subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102.

### Risk

The risks associated with investing in the Fund remain as discussed in the simplified prospectus. The Fund is suitable for someone who is looking for low to medium risk, diversified portfolio of alternative investment strategies to hold as part of their balanced portfolio and has a medium to longer term investment horizon.

For the period ended June 30, 2020, there were no changes affecting the overall level of risk associated with an investment in the Fund. Therefore, the overall level of Fund risk and investor risk tolerance remains as stated in the Prospectus.

### Results of Operations

The Fund's benchmark is the S&P/TSX Composite Total Return Index. It is important to note that the NAV of the Fund 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 was \$37,664,295 on June 30, 2020, reflecting the capital raised in the Fund's first year and the changes in NAV due to valuations of the Fund's investments. The Fund paid cash distributions totalling \$nil during the period.

The investment performance of the Fund includes income and expenses which will vary year over year.

As compared to the benchmark Index the Fund was overweight exposure to smaller cap Canadian Equities.

The Canadian equity market was exceptionally volatile in the first half of 2020 with the onset of the COVID-19 pandemic. The index fell over 33% from end of 2019 into the lows of March 23rd only to rally over 39% through the end of June. As of June 30<sup>th</sup>, 2020, the Canadian equity market remains down 7.47% with 8 of 11 GICs sectors posting negative returns over the 6-month period. Strength in Information Technology, Materials and Consumer Staples was offset by significant weakness in Energy, Real Estate and Health Care.

During the first half of 2020, the Manager took advantage of historically cheap levels of volatility and purchased options protection which more than offset any losses in the Funds equity positions. The Manager was able to use the market drawdown to reposition the fund by increasing cash levels, increasing exposure to larger capitalization Consumer Staples and deploying capital in smaller capitalization opportunities that met it's strict investment criteria. Furthermore, the Manager was able to take advantage of volatility skew by purchasing options positions that allowed the Fund to have further downside market protection while also having a levered return to the upside.

One observation that has led the Manager to keeping a high cash balance in the portfolio is the relative performance of the financial sector in the Canadian market. In light of COVID-19 and the resulting economic shutdown, the

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Canadian bank index had a total return of negative -16% in the first half of this calendar year, underperforming the composite by 810 bps. Total allowances for credit losses across the “Big 6” now stands at \$26.5B or 138bps of their credit risk weighted assets.

The Manager has continued to position the Fund to focus on the non-resource segment of the Canadian market. More specifically with an aim to own businesses with a high level of insider ownership, prudently managed balance sheets, and a focus on the distribution of cash flow either through dividends or share buybacks. The Manager increased the Fund’s exposure to these businesses over the first 6 months of the calendar year.

### **Recent Developments**

Although still elevated from its January 2020 levels, Volatility has declined with the recent strength in equity markets despite the geopolitical and election risks that remain evident in 2020. The Manager has taken advantage of this decline and purchased additional option protection to act as a form of insurance for our investors’ capital.

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### Related Party Transactions

#### Management fees:

The Fund pays the Manager a monthly management fee for providing its services to the Fund. Redeemable units of the Fund, other than Series I units and Series I -OM, are charged annual management fees equal to the following percentages of the Series NAV of the said Series of the Fund, calculated and accrued on each Valuation Date and payable monthly:

Series A	1.75%
Series A - OM	1.00%
Series F	1.00%
Series F - OM	1.00%
Series F (US) - OM	1.00%
Series I	Nil
Series W - OM	Nil
Series I units: Negotiated by the investor and paid directly by the investor.	

During the period ended June 30, 2020, management fees paid by the Fund were \$72,895.

#### Performance fees:

The Manager receives performance fees from the Fund equal to 10% of any positive net returns (before sales tax) in excess of 10% for each calendar year attributable to each Series A - OM, Series F - OM and Series F (US) - OM units. The performance fees are accrued daily on each Valuation Date and are payable monthly.

The performance fee resets at the start of each calendar year. Performance fees are subject to applicable taxes, including QST, GST or HST. In the case of Series I units and Series I - OM units, performance fees, if any, are negotiated with each unitholder and paid directly to the Manager. No performance fee is charged to the Fund in respect of Series W - OM units.

The Manager receives a performance fee in respect of Series A and Series F units of the Fund, which is calculated and accrued for each such Series each business day during the relevant Performance Fee Determination Period (as defined below). The Fund will pay the Manager a performance fee plus HST and any other applicable taxes for each Performance Fee Determination Period equal to 15% of the Net Profit (as defined below) of each of the applicable Series of units, subject to the High Watermark (as defined below).

The "Performance Fee Determination Period" means (i) each calendar quarter for those investors that remain in the Fund at the end of the calendar quarter and (ii) the period from the beginning of a calendar quarter until the redemption date for those investors that redeem prior to the end of the calendar quarter. "Net Profit" means, in respect of each Series of units of the Fund for any Performance Fee Determination Period, the amount calculated by deducting the relevant Series NAV per unit on the first business day of that Performance Fee Determination Period from the Series NAV per unit on the last business day of that Performance Fee Determination Period and multiplying the resulting amount by the total number of units of such Series outstanding at the close of business on the last business day in that Performance Fee Determination Period. "High Watermark" means, in respect of each Series of units of the Fund, the highest Series NAV per unit in respect of which a performance fee has been previously paid for that Series, or the initial offering price of the units of such Series if no performance fee has yet been paid in respect of such Series.

No performance fee shall be paid in respect of a Series unless the Series NAV per unit exceeds the High Watermark for that Series and, in such circumstances, a performance fee shall only be paid on that portion of the Net Profit that exceeds the High Watermark. The Manager may make such adjustments to the NAV and/or the calculation of the performance fee as may be determined by the Manager to be necessary to account for the payment of any distributions on units, any unit splits or consolidations or any other event or matter that would, in the opinion of the Manager, impact upon the calculation of the performance fees.

During the period ended June 30, 2020, performance fees were paid by the Fund were \$22,108.

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#### Financial Highlights

The following tables show selected key financial information about the Series A – OM, Series A, Series F – OM, Series F, Series I and Series W- OM units of the Fund, respectively, and are intended to help you understand the Fund's financial performance for the period since the inception date.

#### The Fund's Net Assets Attributable to Holders of Redeemable Units per Unit <sup>(1)</sup>

	June 30, 2020					
	Series A - OM	Series - A	Series F - OM	Series F	Series I	Series W - OM
<b>Net assets attributable to holders of redeemable units, beginning of period <sup>(1)(2)</sup></b>	<b>\$9.43</b>	<b>\$10.00</b>	<b>\$9.44</b>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$9.47</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>						
Total revenue	(0.01)	(0.06)	0.04	(0.99)	(0.04)	0.01
Total expenses	(0.09)	(0.13)	(0.09)	(0.10)	(0.03)	(0.03)
Realized loss for the period	0.93	0.32	0.96	0.64	0.95	0.94
Unrealized gain for the period	(0.03)	(0.16)	(0.04)	(0.12)	(0.39)	0.01
<b>Total decrease in net assets attributable to holders of redeemable units <sup>(3)</sup></b>	<b>0.80</b>	<b>(0.03)</b>	<b>0.87</b>	<b>(0.57)</b>	<b>0.49</b>	<b>0.93</b>
<b>Net assets attributable to holders of redeemable units, end of period <sup>(3)</sup></b>	<b>10.23</b>	<b>10.57</b>	<b>10.23</b>	<b>10.60</b>	<b>10.77</b>	<b>10.32</b>
<b>Ratios and Supplemental Data</b>						
Total Net Asset Value <sup>(4)</sup>	\$ 2,017,818	\$ 615,755	\$ 2,259,289	\$ 24,654,493	\$ 2,561,526	\$ 5,555,414
Number of units outstanding <sup>(4)</sup>	197,318	58,243	220,858	2,325,463	237,761	538,298
Management expense ratio <sup>(5)</sup>	1.42%	2.27%	1.42%	1.43%	0.30%	0.30%
Trading expense ratio <sup>(6)</sup>	1.13%	1.13%	1.13%	1.13%	1.13%	1.13%
Portfolio turnover rate <sup>(7)</sup>	279.53%	279.53%	279.53%	279.53%	279.53%	279.53%
<b>Net Asset Value per Unit</b>	<b>10.2262</b>	<b>10.5722</b>	<b>10.2296</b>	<b>10.6020</b>	<b>10.7735</b>	<b>10.3203</b>

#### Notes:

- (1) This information is derived from the Fund's unaudited financial statements for June 30, 2020 and is not a reconciliation of beginning and ending net assets per unit.
- (2) This information is provided as at June 30, 2020.
- (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) This information is provided as at June 30, 2020.
- (5) The management expense ratio (MER) 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. During the period the Manager absorbed \$9,000 in expenses that would have otherwise been charged to the Fund; the MER of each series had these expenses not been absorbed by the Manager would have been as follows: Prospectus Series: A – 2.34%, F – 1.47%, I - .40% ;OM Series: A-OM - 1.56%, F-OM – 1.56%, W-OM - .43%.  
The Manager will continue this practice until such time as the Fund is of a size to absorb such expenses while maintaining its MER at a competitive level.
- (6) 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.
- (7) 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 the 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.

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	<u>June 30, 2020</u>					
	<u>Series A - OM</u>	<u>Series A</u>	<u>Series F - OM</u>	<u>Series F</u>	<u>Series I</u>	<u>Series W</u>
MER excluding performance fees	1.56%	2.34%	1.56%	1.47%	0.40%	0.43%
MER excluding performance fees & sales tax	1.56%	2.34%	1.56%	1.47%	0.40%	0.43%

The benchmark for the Fund is the S&P/TSX Composite Total Return 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.<sup>1</sup>

<sup>1</sup>“S&P/TSX Composite Total Return Index.” S&P Dow Jones Indices by S&P Global. Web. June 30, 2020

### Past Performance

As the Prospectus qualified units of the Fund have been in circulation less than 365 days, in accordance with National Instrument 81-102 no performance information is available for publication.

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### 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 period ended June 30, 2020.

By Country/ Region	Percentage of Total Net Asset value	By Asset Type	Percentage of Total Net Asset value
Canadian Securities	30.72%	Equities	30.72%
U.S. Securities	0.00%	Cash	19.90%
		Restricted Cash	48.67%
		Other Net Liabilities	0.71%

By Industry long position	Percentage of Total Net Asset value	Top 25 Long Position Holdings	Percentage of Total Net Asset value
Basic Materials	1.01%	Restricted Cash (held as margin for options positions)	48.67%
Communications	0.79%	Cash	19.90%
Consumer, Cyclical	0.17%	AirBoss of America Corp.	4.24%
Consumer, Non-cyclical	9.26%	Fronsac Real Estate Investment Trust	2.69%
Financial	8.46%	Loblaw Cos Ltd.	2.40%
Funds	4.62%	Metro Inc.	2.40%
Industrial	4.76%	Chesswood Group Ltd.	2.26%
Technology	1.43%	Alcanna Inc.	2.24%
Utilities	1.67%	iShares S&P/TSX Global Gold Index ETF	2.03%
		iShares S&P/TSX 60 Index ETF Put \$22.50 18SEP20	1.92%
		Algonquin Power & Utilities Corp.	1.67%
		Sylogist Ltd.	1.43%
		Orla Mining Ltd.	1.01%
		The Westaim Corp.	0.89%
		Chartwell Retirement Residences	0.86%
		Allied Properties Real Estate Investment Trust	0.85%
		Corby Spirit and Wine Ltd.	0.79%
		Sangoma Technologies Corp.	0.79%
		VersaBank	0.78%
		Sienna Senior Living Inc.	0.73%
		Mav Beauty Brands Inc.	0.69%
		BMO Equal Weight Banks Index ETF Call \$24.50 21AUG20	0.53%
		Evertz Technologies Ltd.	0.51%
		SIR Royalty Income Fund	0.17%
		iShares S&P/TSX 60 Index ETF Put \$20 17JUL20	0.15%
		National Bank of Canada Call \$74 16OCT20	0.09%

By Industry short position	Percentage of Total Net Asset value
Financial	-0.29%
Funds	-1.15%

All Short Position Holdings	Percentage of Total Net Asset value
iShares S&P/TSX 60 Index ETF Put \$18 18SEP20	-0.51%
BMO Equal Weight Banks Index ETF Call \$25.25 21AUG20	-0.30%
BMO Equal Weight Banks Index ETF Put \$19.50 21AUG20	-0.18%
The Bank of Nova Scotia Put \$40 18SEP20	-0.18%
iShares S&P/TSX 60 Index ETF Put \$16 17JUL20	-0.16%
National Bank of Canada Put \$40 16OCT20	-0.11%

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.