



Management Report of Fund Performance



This interim management report of fund performance contains financial highlights, however, but does not contain either the interim or annual financial statements of the investment fund. You can obtain a copy of the interim or annual financial statements at your request, and at no cost, by calling 1 855-892-0740, by writing to us at Accelerate Financial Technologies Inc., Suite 300, 524 17 Avenue SW, Calgary, AB T2S 0B2 attention: Accelerate Client Services, or by visiting our website at <https://accelerateshares.com> or SEDAR at www.sedar.com.

Accelerate Enhanced Canadian Benchmark Alternative Fund Interim Management Report of Fund Performance

For the period ended June 30, 2019

Investment Objective and Strategies

The investment objective of the Accelerate Enhanced Canadian Benchmark Alternative Fund (the “Fund”, “ATXS”) is to achieve long-term capital appreciation and a superior risk-adjusted return relative to the broader Canadian equity market. ATXS seeks to outperform the Canadian equity market over the long term by investing primarily in Canadian and foreign issuers listed on an exchange or marketplace in Canada that represent the broad Canadian listed equity market, and using a long-short overlay portfolio to seek to add positive absolute return. ATXS may use derivatives to gain exposure to its long portfolio. The aggregate market value of the securities sold short and the aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation.

In order to achieve its investment objective, ATXS invests directly or indirectly primarily in the equity securities of Canadian and foreign issuers listed on an exchange or marketplace in Canada that represent the broad Canadian listed equities market. In addition, ATXS invests in a long-short equity overlay portfolio by investing in up to a 50% short portfolio overlay and using the cash generated from these short positions to purchase an additional approximately 50% long portfolio overlay. While the short positions create leverage by increasing the long portfolio exposure, these positions help to hedge the increased market risk associated with the leveraged portion of its portfolio. The aggregate market value of the securities sold short will not exceed 50% of ATXS’s NAV.

Security selection of the long and short portfolio overlay is driven by an integrated multi-factor approach, consistent with empirical data and financial theory, based on factors that include value, quality, price momentum, operational momentum and trend. The Portfolio Manager applies its proprietary multifactor model to the Canadian listed equity market and selects the long portfolio from the top 10%, and the short portfolio from the bottom 10%, of the equities generated by this model.

The Portfolio Manager may use derivatives and/or invest in underlying funds to execute all or a portion of ATXS’s initial long portfolio strategy. The derivatives most likely to be used are futures contracts. The use of derivatives for non-hedging purposes creates leverage in ATXS’s portfolio. It is currently expected that, subject to market movement, the aggregate notional amount of all derivatives used by ATXS for non-hedging purposes will not exceed approximately 100% of ATXS’s NAV.

Risk

The risks associated with an investment in the Funds are described in the prospectus. During the period that began April 15, 2019 and ended June 30, 2019, there have been no changes to the Fund that materially affected the risk level of the Fund.

Results of Operations

The Fund was launched on April 15, 2019, and the net asset value of the Fund was \$1.02 million as at June 30, 2019. Investment performance is not provided for an ETF that has been available for less than one year.

Related Party Transactions

Accelerate Financial Technologies Inc. (“Accelerate”, the “Manager”) is the trustee, manager, and portfolio advisor of the Fund. The Manager is responsible for the daily administration of the fund and for services rendered will not accept a management fee, however, will receive a performance fee. Performance fees are paid quarterly to the Manager.

Accelerate has decided to cover the costs relating to the inception of the fund and other ongoing expenses (for a temporary period). The Fund will incur performance fees, expenses related brokerage expenses and commissions, income taxes, withholding taxes, any applicable harmonized sales tax (“HST”), goods and services tax (“GST”) or other sales taxes.

Performance Fee

As previously stated, the Fund does not incur a management fee for the service provided by the Manager. ATSX pays a performance incentive fee, plus applicable taxes, to the Manager equal to 50% of the amount by which the NAV per Unit of ATSX determined as of the last Valuation Date at the end of a calendar quarter (before giving effect to any distribution made by ATSX since the High Water Mark was determined, and adjusted to exclude the accrual of the performance incentive fee during the calendar quarter) exceeds the product of the High Water Mark multiplied by an amount equal to one plus the Hurdle Rate, which amount is further multiplied by the number of Units of ATSX outstanding at the end of that calendar quarter. The High Water Mark is reduced by the amount of any distribution paid in respect of Units of ATSX during the calendar quarter. If the Hurdle Rate is negative, then the High Water Mark is reduced in accordance with the above formula. If no performance incentive fee is paid for 12 consecutive calendar quarters, the High Water Mark is reset to the NAV per Unit determined as of the last Valuation Date of that 12th calendar quarter.

Each performance incentive fee is calculated and accrued daily and paid quarterly. If any Units of an Accelerate Fund are redeemed prior to the end of a calendar quarter, a performance incentive fee is payable on the redemption date in respect of each Unit that is redeemed, as if the redemption date were the end of the calendar quarter, as described above.

Past Performance

Since the present Interim Management Report of Fund Performance is the first interim report submitted for this ETF, the NI 81-106 does not require the presentation of past performance. The ETF's units were available since May 10, 2019.

Financial Highlights

The following tables show selected key financial information about the ETF and are intended to help readers understand the ETF's financial performance for the period indicated.

Financial Highlights

For the period ended

2019/06/30¹

Net assets attributable to holders of redeemable units per unit, beginning of the period ²	20.00
Increase (decrease) in net assets attributable to holders of redeemable units:	
Investment income	0.10
Total expenses	(0.11)
Realized gains (losses) for the period	0.45
Unrealized gains (losses) for the period	0.06
Total increase (decrease) in net assets attributable to holders of redeemable units ³	<u>0.50</u>
Net assets attributable to holders of redeemable units, end of period ²	20.37

Ratios & Supplemental Data

Net assets attributable to holders of redeemable units, end of period (\$) (000's)	1,019
Number of outstanding redeemable units (000's)	50
Net Assets attributable to holders of redeemable units per series (\$)	20.37
Management expense ratio ⁴ (%)	-
Management expense ratio before absorption (%)	3.46
Portfolio turnover rate ⁵ (%)	101.42
Trading expense ratio ⁶ (%)	1.03

¹ The information shown in this column is for the period beginning April 15, 2019 (the ETF's commencement date), and ending June 30, 2019.

² The financial highlights are derived from the financial statements prepared in accordance with IFRS. IFRS allows net assets to be calculated based on the last traded market price for financial assets and financial liabilities where the last traded price falls within the day's bid-ask spread.

³ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The total increase (decrease) in net assets attributable to holders of redeemable units is based on the weighted average number of units outstanding over the financial period.

⁴ Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

⁵ The ETF's portfolio turnover rate indicates how actively the ETF's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the period. The higher a portfolio's turnover rate in a period, the greater the trading costs payable by the ETF 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 the ETF.

⁶ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

Summary of Investment Portfolio as at June 30, 2019

Sector Mix	
	% of ETF's
	Net Asset Value
Communication Services	4.9
Consumer Discretionary	(1.2)
Consumer Staples	(1.5)
Energy	(3.1)
Financials	(2.9)
Funds	4.8
Health Care	0.6
Industrials	3.7
Information technology	4.8
Materials	(4.1)
Utilities	(0.2)
Other Assets Less Liabilities	94.2
	<u>100.0</u>

Geographic Mix	
	% of ETF's
	Net Asset Value
Canada	4.9
Australia	1.6
United States of America	(0.7)
Other Assets Less Liabilities	94.2
	<u>100.0</u>

Top 25 Issuers

	% of ETF's Net Asset Value
iShares S&P/TSX 60 Index ETF	4.8
Alacer Gold Corp.	1.8
Kirkland Lake Gold Ltd.	1.8
Gran Colombia Gold Corp.	1.7
ERO Copper Corp.	1.6
Champion Iron Ltd.	1.6
Shopify Inc.	1.5
North American Palladium Ltd.	1.4
Richards Packaging Income Fund	1.4
Viemed Healthcare Inc.	1.4
Evertz Technologies Ltd.	1.4
Boyd Group Income Fund	1.4
Gibson Energy Inc.	1.4
Badger Daylighting Ltd.	1.3
Cogeco Communications Inc.	1.3
Open Text Corp.	1.3
Alimentation Couche-Tard Inc.	1.3
A&W Revenue Royalties Income Fund	1.3
Parkland Fuel Corp.	1.3
BCE Inc.	1.3
Carmanah Technologies Corp.	1.3
ECN Capital Corp.	1.3
Gildan Activewear Inc.	1.3
Canadian Pacific Railway Ltd.	1.3
Parex Resources Inc.	1.3
	<hr/> 38.8 <hr/>

Total Net Asset Value: \$1,018,723

Forward-Looking Statements

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in Canada, United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events. Please note this is not an exhausted list of factors. Careful consideration of these and other factors should be made before making investment decisions and urge investors to avoid placing undue reliance on forward-looking statements.

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