

INVESTMENT MANAGER COMMENTARY - Q1 2021

As investor confidence continues to grow, long term bond yields have risen. Despite the increase in bond yields they remain at very low rates and we do not believe that the increase in rates has meaningfully changed the relative attractiveness of bonds versus stocks. While the government has announced that several of its funding initiatives are set to conclude in June there remains a continuation of strong investor appetite which support the market.

Blue Ribbon Income Fund substantially outperformed the S&P/TSX Total Return Index in the first quarter and slightly underperformed the S&P/TSX High Dividend Index. Contributing the greatest positive performance to the Fund were the Industrials, Financials and Consumer Discretionary sectors. Positions in Ag Growth International Inc., TFI International Inc. and Superior Plus Corp. were the greatest stock contributors to performance in the quarter. The sectors that detracted from performance in the quarter were: Utilities, Materials and Consumer Staples.

The most recent measure of Active Share for Blue Ribbon Income Fund was a very high 82%. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index. We believe this high Active Share gives the Fund a greater ability to take advantage of upside opportunities or protect against downside risk very distinctly in comparison to the great number of less active manager's with performance that closely follows the benchmark.

As we look back on the past year since the beginning of the pandemic we remind ourselves as to how quickly the market reacted to the onset of the pandemic and also the rapid speed in which it has recovered from such significant declines in values. The level of volatility in the market in the past year has been extreme and an increase in electronic trading has only exacerbated the speed as to which the market reacts to news. In these volatile markets, an increasingly large number of investors are more concerned about short term stock price changes instead of taking a longer term approach. We continue to believe that by making a solid and relatively low risk investment today will benefit the Fund in the longer term.

The rotation from "stay home" stocks to more "value" oriented stocks noted above has been particularly fruitful for the Fund. Since the commencement of this rotation late last summer, the Fund's value has risen substantially and has more than exceeded the returns of the S&P/TSX Composite Index. Taking these gains into consideration, we remain cautiously bullish for the rest of the year and expect increased optimism as more of the Canadian population becomes vaccinated and the economy continues to gain momentum.

Bloom Investment Counsel, Inc.

April 1, 2021

Annual Compound Returns ¹	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Blue Ribbon Income Fund	13.1%	57.9%	5.4%	6.4%	3.8%	9.3%
S&P/TSX Composite High Dividend Index	14.4%	46.1%	8.4%	8.7%	5.8%	n.a.
S&P/TSX Composite Index	8.1%	44.3%	10.2%	10.0%	6.0%	6.9%

⁽¹⁾ Returns are for the periods ended March 31, 2021. Inception date September 17, 1997. The following table shows the Fund's compound return for each period indicated compared with the S&P/TSX Composite Index ("Composite Index") and the S&P/TSX Composite High Dividend Index ("Composite High Dividend Index"). The Composite Index tracks the performance, on a market weight basis and a total return basis, of a broad index of large capitalization issuers listed on the TSX. The Composite High Dividend Index tracks the performance, on a market-weight basis and a total return basis, of 50-75 highest dividend yielding securities within the Composite Index. Since the Fund is actively managed, the sector weightings differ from those of the two indices. For these reasons, it is not expected that the Fund's performance will mirror that of the indices. Further, the indices are calculated without the deduction of management fees, fund expenses, and trading commissions, whereas the performance of the Fund is calculated after deducting such fees and expenses.

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You will usually pay brokerage fees to your dealer if you purchase or sell units of the Fund on the Toronto Stock Exchange or other alternative Canadian trading system (an "exchange"). If the units are purchased or sold on an exchange, investors may pay more than the current net asset value when buying units of the investment fund and may receive less than the current net asset value when selling them.

There are ongoing fees and expenses associated with owning units of an investment fund. An investment fund must prepare disclosure documents that contain key information about the Fund. You can find more detailed information about the fund in the public filings available at www.sedar.com. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account certain fees such as redemption costs or income taxes payable by any securityholder that would have reduced returns. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.

Certain statements contained herein constitute forward-looking information within the meaning of Canadian securities laws. Forward-looking information may relate to matters disclosed in this document and to other matters identified in public filings relating to the Fund, to the future outlook of the Fund and anticipated events or results and may include statements regarding the future financial performance of the Fund. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Actual results may vary from such forward-looking information. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no obligation to update or revise them to reflect new events or circumstances.

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