

**INVESTMENT MANAGER COMMENTARY - Q4 2020**

The sharpest one-day decline of the TSX since 1940 was on March 12th, 2020 when the S&P/TSX fell more than 12% in a day. While the S&P/TSX Total Return Index and the S&P/TSX High Dividend Total Return Index have recovered some of their losses gaining 4.7% and 3.6% in the quarter respectively, year-to-date both indices remain negative with the latter significantly behind the broader index. In September, both indices reported their first monthly decline since the pandemic-induced selloff in March.

This recession shows a great disconnect between the equity market and the Canadian economy as a whole. In March, many investors liquidated their investments due to the belief that the equity markets would remain low for quite some time and potentially further decline. However, with the easing of the economic lock-down in the third quarter combined with government funding, investors had a surplus of cash to invest which helped propel the Canadian market higher.

Blue Ribbon Income Fund outperformed the S&P/TSX High Dividend Total Return Index year-to-date as well as for the third quarter of 2020. The Fund outperformed the S&P/TSX Composite Total Return Index in the quarter, however, it underperformed this Index year-to-date.

Positions in Boralex Inc., Northland Power Inc. and Canadian Tire Corp. were the greatest contributors to performance year to date. Sectors that contributed the greatest positive performance to the Fund were Utilities, Consumer Staples and Healthcare.

The most recent measure of Active Share for Blue Ribbon Income Fund was a very high 84.3%. Active Share is a measure of the percentage of stock holdings in a manager's portfolio that differs from the benchmark index, in this case the S&P/TSX Composite 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.

It is expected that there will be a continuation of high market volatility as we head into the fourth quarter. We believe that focusing on the fundamentals of our investments is increasingly important as the market can, especially during these volatile periods, "misprice" certain stocks providing both a favorable buy and sell opportunity. In general, Canadian dividend paying equities continue to underperform the broader market; however, we maintain our belief, backed by a long history of performance, that higher yielding stocks display superior long-term performance. As such, through our research and analysis we have invested in some "gems" in this universe and maintain our stance of cautious optimism going into the end of the year.

Bloom Investment Counsel, Inc.

October 1, 2020

Annual Compound Returns <sup>1</sup>	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Blue Ribbon Income Fund	(15.7%)	(11.0%)	(4.5%)	2.5%	3.1%	8.4%
S&P/TSX Composite High Dividend Index	(18.5%)	(15.2%)	(1.8%)	4.2%	4.3%	n.a
S&P/TSX Composite Index	(3.1%)	0.0%	4.2%	7.1%	5.8%	6.3%

<sup>(1)</sup> Returns are for the periods ended September 30, 2020. 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](http://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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