

# Annual Financial Statements

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**ADDENDA CAPITAL FUNDS**

December 31, 2023

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## Management's Responsibility for Financial Reporting

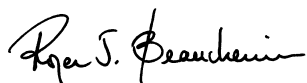
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The accompanying financial statements of the Funds (as described in Note 1) have been prepared by Addenda Capital Inc., the manager of the Funds (the "Manager"). The Manager is responsible for the information and representations contained in these financial statements.

The Manager maintains appropriate processes to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and include certain amounts that are based on estimates and judgments. The material accounting policies which management believes are appropriate for the Funds are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP are the external auditors of the Funds. They have audited these financial statements in accordance with Canadian generally accepted auditing standards to enable them to express their opinion to the unitholders. Their independent auditor's report follows.

March 27, 2024



**Roger J. Beauchemin**  
President &  
Chief Executive Officer  
Addenda Capital Inc.



**Janick Boudreau**  
Executive Vice-President,  
Business Development  
& Client Partnerships  
Addenda Capital Inc.

# Independent Auditor's Report

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## To the Unitholders and Trustee of

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Addenda Income Focus Fund  
Addenda Global Balanced Fund  
Addenda Global Diversified Equity Fund

(individually, a Fund)

## Our opinion

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In our opinion, the accompanying December 31, 2023 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

## What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 1;
- the statements of comprehensive income for the periods indicated in note 1;
- the statements of changes in net assets attributable to holders of redeemable units for the periods indicated in note 1;
- the statements of cash flows for the periods indicated in note 1; and
- the notes to financial statements, comprising material accounting policy information and other explanatory information.

## Basis for opinion

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We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## Other information

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Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

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Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

# Independent Auditor's Report

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## Auditor's responsibilities for the audit of the financial statements

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Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*<sup>1</sup>

Montréal, Quebec  
March 27, 2024

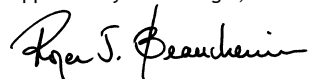
<sup>1</sup> CPA auditor, public accountancy permit No. A127947

# Addenda Income Focus Fund

## Statements of financial position

As at December 31	2023 \$	2022 \$
<b>Assets</b>		
Current assets		
Investments in non-derivative financial assets	100,535,550	93,093,817
Cash	85,521	32,905
Receivable for investments sold	293	—
Interest receivable	551,912	405,795
Dividends receivable	29,124	32,782
<b>Total assets</b>	<b>101,202,400</b>	<b>93,565,299</b>
<b>Liabilities</b>		
Current liabilities		
Payable for investments purchased	292	—
Accrued management fees	42,426	40,524
Accrued administration fees	16,970	16,210
Accrued harmonized sales tax and other taxes	9,128	8,579
Other accrued expenses	208	301
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>69,024</b>	<b>65,614</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>101,133,376</b>	<b>93,499,685</b>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A	183,317	2,430
Series F	100,950,059	93,497,255
<b>Units outstanding</b>		
Series A	19,561	264
Series F	10,067,546	9,819,275
<b>Net assets attributable to holders of redeemable units per unit</b>		
Series A	9.37	9.20
Series F	10.03	9.52

Approved by the Manager,



**Roger J. Beauchemin**  
President and  
Chief Executive Officer



**Janick Boudreau**  
Executive Vice-President,  
Business Development  
& Client Partnerships

## Statements of comprehensive income

Periods ended December 31	2023 \$	2022* \$
<b>Income</b>		
Interest for distribution purposes	2,412,321	1,469,876
Dividend income	428,568	656,774
Income from funds	369,823	138,557
Other income	16	—
Net other gain (loss)	(8,537)	(861)
Change in unrealized on foreign exchange gain (loss) on cash	(266)	(8)
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on investments	(1,473,018)	(2,481,503)
Change in unrealized appreciation (depreciation)	6,597,134	(5,670,567)
<b>Total income (net)</b>	<b>8,326,041</b>	<b>(5,887,732)</b>
<b>Expenses (Note 8)</b>		
Management fees	480,489	339,922
Administration fees	183,078	142,607
Independent review committee fees	16,584	8,916
Registration and other filing fees	2,347	447
Trailer fees	431	—
Harmonized sales tax and other taxes	102,559	72,805
Tax liability	46,483	—
Commissions and other portfolio transaction costs	18,632	40,629
Withholding expenses	15,931	9,769
<b>Total expenses</b>	<b>866,534</b>	<b>615,095</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>7,459,507</b>	<b>(6,502,827)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	6,708	(80)
Series F	7,452,799	(6,502,747)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Series A	0.98	(2.74)
Series F	0.75	(0.69)
<b>Weighted average units outstanding for the period</b>		
Series A	6,815	29
Series F	9,931,644	9,485,052

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

## Addenda Income Focus Fund

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	93,499,685	—
Increase (decrease) in net assets attributable to holders of redeemable units	7,459,507	(6,502,827)
Distributions paid or payable to holders of redeemable units		
From net investment income	(2,412,479)	(1,564,286)
Total distributions to holders of redeemable units	(2,412,479)	(1,564,286)
Redeemable unit transactions		
Amount received from the issuance of units	177,984	100,002,512
Amount received from reinvestment of distributions	2,412,479	1,564,286
Amount paid on redemptions of units	(3,800)	—
Net increase (decrease) from redeemable unit transactions	2,586,663	101,566,798
Net increase (decrease) in net assets attributable to holders of redeemable units	7,633,691	93,499,685
Net assets attributable to holders of redeemable units at end of period	101,133,376	93,499,685

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31 Series F	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	93,497,255	—
Increase (decrease) in net assets attributable to holders of redeemable units	7,452,799	(6,502,747)
Distributions paid or payable to holders of redeemable units		
From net investment income	(2,409,213)	(1,564,280)
Total distributions to holders of redeemable units	(2,409,213)	(1,564,280)
Redeemable unit transactions		
Amount received from the issuance of units	5	100,000,002
Amount received from reinvestment of distributions	2,409,213	1,564,280
Net increase (decrease) from redeemable unit transactions	2,409,218	101,564,282
Net increase (decrease) in net assets attributable to holders of redeemable units	7,452,804	93,497,255
Net assets attributable to holders of redeemable units at end of period	100,950,059	93,497,255

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31 Series A	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	2,430	—
Increase (decrease) in net assets attributable to holders of redeemable units	6,708	(80)
Distributions paid or payable to holders of redeemable units		
From net investment income	(3,266)	(6)
Total distributions to holders of redeemable units	(3,266)	(6)
Redeemable unit transactions		
Amount received from the issuance of units	177,979	2,510
Amount received from reinvestment of distributions	3,266	6
Amount paid on redemptions of units	(3,800)	—
Net increase (decrease) from redeemable unit transactions	177,445	2,516
Net increase (decrease) in net assets attributable to holders of redeemable units	180,887	2,430
Net assets attributable to holders of redeemable units at end of period	183,317	2,430

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

# Addenda Income Focus Fund

## Statements of cash flows

Periods ended December 31	2023 \$	2022* \$
Cash flows from operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	7,459,507	(6,502,827)
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	266	8
Net realized (gain) loss on sale of investments	1,473,018	2,481,503
Net change in unrealized (appreciation) depreciation of investments and derivatives	(6,597,134)	5,670,567
Amortization of premiums or discounts	(2,842)	—
Change in interest accrual on discount notes and Treasury bills	17,995	(28,169)
Distributions from underlying funds	(369,823)	(138,557)
Purchase of investments	(90,758,890)	(184,649,466)
Proceeds from the sale of investments	88,795,942	83,570,305
Interest receivable	(146,117)	(405,795)
Dividends receivable	3,658	(32,782)
Other liabilities	3,118	65,614
Net cash from operating activities	(121,302)	(99,969,599)
Cash flows from financing activities		
Amount received from the issuance of units	177,984	100,002,512
Amount paid on redemptions of units	(3,800)	—
Net cash used in financing activities	174,184	100,002,512
Change in unrealized on foreign exchange gain (loss) on cash	(266)	(8)
Increase (decrease) in cash during the period	52,882	32,913
Cash at beginning of period	32,905	—
Cash at end of period	85,521	32,905
<b>Supplemental information on cash flows from (used in) Operating Activities</b>		
Interest received	2,281,357	1,035,912
Dividends received, net of withholding taxes	416,295	614,223

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.





# Addenda Income Focus Fund

## Schedule of investment portfolio (continued) as at December 31, 2023

	Number of shares	Cost \$	Fair value \$		Par value \$	Cost \$	Fair value \$
<b>United States (continued)</b>				<b>Provincial governments and Crown corporations (continued)</b>			
Thermo Fisher Scientific Inc.	203	147,207	142,080	Ryerson University			
TJX Cos. Inc.	1,267	109,490	156,725	Series B, 3.542%, 2061-05-04	350,000	286,500	287,658
Union Pacific Corp.	201	67,353	65,099	University of Toronto			
United Parcel Service Inc., Class B	288	76,943	59,709	Series B, 5.841%, 2043-12-15	846,000	1,091,746	986,068
UnitedHealth Group Inc.	227	149,940	157,584			25,913,581	25,670,135
Visa Inc., Class A	474	138,116	162,723	<b>Municipalities and semi-public institutions (1.2%)</b>			
Walt Disney Co.	648	98,726	77,149	City of Ottawa			
Warner Bros. Discovery Inc.	3,654	91,594	54,831	3.250%, 2047-11-10	625,000	586,187	529,834
		4,580,970	5,104,688	South Coast British Columbia Transportation Authority			
<b>Total Common Equities</b>		20,026,887	20,779,690	Series TL-7, 3.250%, 2028-11-23	725,000	736,963	715,007
<b>TOTAL EQUITIES</b>		20,026,887	20,779,690			1,323,150	1,244,841
	Par value \$	Cost \$	Fair value \$	<b>Corporates (21.9%)</b>			
<b>BONDS (68.1%)</b>				<b>Algonquin Power Co.</b>			
<b>Canadian issuers (66.2%)</b>				Series 5, 4.600%, 2029-01-29			
<b>Government of Canada (17.6%)</b>				1,630,000			
Series N340, 1.500%, 2025-04-01	180,000	172,396	173,943	Brookfield Renewable Partners ULC			
Series L518, 0.250%, 2026-03-01	1,010,000	934,939	939,892	Series 10, 3.630%, 2027-01-15	800,000	761,384	778,538
Series P576, 3.500%, 2028-03-01	1,165,000	1,160,774	1,177,241	Series 11, 4.250%, 2029-01-15	1,600,000	1,626,400	1,577,102
Series N670, 2.250%, 2029-12-01	10,895,000	10,521,236	10,429,568	Series 12, 3.380%, 2030-01-15	200,000	190,894	186,774
Series K379, 1.250%, 2030-06-01	120,000	99,126	107,231	Series 14, 3.330%, 2050-08-13	500,000	420,590	373,484
Series N597, 2.000%, 2032-06-01	620,000	575,262	569,617	Canadian National Railway Co.			
Series Q236, 2.750%, 2033-06-01	1,150,000	1,065,984	1,117,688	4.400%, 2033-05-10	615,000	592,300	622,353
Series H722, 2.000%, 2051-12-01	930,000	674,405	749,089	Canadian Pacific Railway Co.			
Series M680, 1.750%, 2053-12-01	1,720,000	1,250,761	1,292,556	2.540%, 2028-02-28	500,000	468,550	468,733
Canada Housing Trust No. 1				Capital Power Corp.			
Series 58, 2.900%, 2024-06-15	220,000	217,673	217,913	7.950%, 2082-09-09	250,000	250,000	245,743
CPPIB Capital Inc.				Central 1 Credit Union			
Series 8, 3.000%, 2028-06-15	750,000	722,760	733,505	Series 19, 5.417%, 2025-09-29	600,000	595,776	602,602
PSP Capital Inc.				5.877%, 2026-11-10	340,000	340,000	347,995
Sereis G-13, 4.400%, 2030-12-02	310,000	309,733	324,477	Series 7, 2.391%, (Floating rate starting in 2026), 2031-06-30	1,300,000	1,219,725	1,182,022
		17,705,049	17,832,720	Coast Capital Savings Federal Credit Union			
<b>Provincial governments and Crown corporations (25.5%)</b>				Series 3, 8.875%, (Floating rate starting in 2028), 2033-05-02			
55 School Board Trust				350,000	350,000	354,643	
Series A, 5.900%, 2033-06-02	800,000	927,592	910,151	Comber Wind L.P.			
Hospital For Sick Children				Series 1, 5.132%, 2030-11-15	533,321	546,964	530,587
Series B, 3.416%, 2057-12-07	1,250,000	1,178,387	1,055,230	Connect 6ix G.P.			
Hydro-Québec				Series A, 6.112%, 2046-11-30	60,000	60,000	66,535
Series JG, 6.000%, 2031-08-15	750,000	921,450	864,723	Dream Industrial REIT			
Series 20, 6.000%, 2040-02-15	4,150,000	5,449,847	5,139,263	Series E, 3.968%, 2026-04-13	600,000	601,938	588,696
Province of British Columbia				Fédération des caisses			
Series BCCD-35, 2.800%				Desjardins du Québec			
2048-06-18	1,300,000	970,827	1,055,673	5.475%, 2028-08-16	1,775,000	1,772,494	1,850,052
Province of Ontario				1.992%, (Floating rate starting in 2026), 2031-05-28	550,000	508,492	512,797
Series DMTN244, 1.850%				5.035%, (Floating rate starting in 2027), 2032-08-23	400,000	395,128	400,021
2027-02-01	1,860,000	1,735,499	1,762,748	FortisBC Energy Inc.			
Series DMTN251, 1.550%				Series 33, 2.540%, 2050-07-13	1,450,000	1,128,013	1,018,939
2029-11-01	7,320,000	6,514,816	6,565,541	Granite REIT Holdings L.P.			
Series DMTN257, 4.050%				Series 4, 3.062%, 2027-06-04	500,000	479,715	473,629
2032-02-02	3,355,000	3,335,350	3,443,552	Ivanhoe Cambridge II Inc.			
3.650%, 2033-06-02	890,000	844,076	881,653	Series 3, 4.994%, 2028-06-02	1,460,000	1,438,656	1,491,542
Zero Coupon, 2043-06-02	800,000	306,410	368,451	Lower Mattagami Energy L.P.			
Series DMTN236, 2.900%				Series 21-1, 2.433%, 2031-05-14	2,500,000	2,282,602	2,233,858
2049-06-02	575,000	475,605	474,880	National Bank of Canada			
Province of Québec				5.296%, 2025-11-03	130,000	128,764	131,227
3.650%, 2032-05-20	1,875,000	1,875,476	1,874,544	4.968%, 2026-12-07	110,000	110,000	111,440

# Addenda Income Focus Fund

## Schedule of investment portfolio (continued) as at December 31, 2023

	Par value \$	Cost \$	Fair value \$
<b>Corporates (continued)</b>			
Ontario Power Generation Inc. Series 7, 3.215%, 2030-04-08	2,300,000	2,097,715	2,172,564
Series 3, 4.248%, 2049-01-18	1,340,000	1,344,656	1,275,034
RioCan Real Estate Investment Trust Series AE, 2.829%, 2028-11-08	375,000	342,049	336,258
Sun Life Financial Inc. Series 2023-1, 5.500% (Floating rate starting in 2030) 2035-07-04	605,000	602,318	625,720
		22,227,936	22,176,069
<b>Total Canadian issuers</b>		67,169,716	66,923,765
<b>Foreign issuers (1.9%)</b>			
<b>Supranational Bonds (1.9%)</b>			
Inter-American Development Bank 4.600%, 2029-03-01	1,200,000	1,199,880	1,262,052
International Bank for Reconstruction and Development Series 101383, 1.200%, 2026-07-22	725,000	678,143	678,779
<b>Total Foreign issuers</b>		1,878,023	1,940,831
<b>TOTAL BONDS</b>		69,047,739	68,864,596
<b>MONEY MARKET SECURITIES (2.5%)</b>			
<b>Government of Canada (2.1%)</b>			
Canada Treasury Bills			
2024-02-01	290,000	286,037	288,746
2024-02-29	640,000	631,459	634,858
2024-03-14	200,000	197,339	198,018
2024-03-28	1,080,000	1,065,691	1,067,195
		2,180,526	2,188,817
<b>Provincial governments and Crown corporations (0.4%)</b>			
Province of Quebec Discount Notes 2024-02-23	360,000	355,493	357,375
		355,493	357,375
<b>TOTAL MONEY MARKET SECURITIES</b>		2,536,019	2,546,192
	Number of units	Cost \$	Fair value \$
<b>INVESTMENT FUNDS (8.3%)</b>			
NEI Global High Yield Bond Fund Series 1	452,153	3,134,145	3,319,844
NEI Global Impact Bond Fund Series 1	573,958	4,874,277	5,025,228
<b>TOTAL INVESTMENT FUNDS</b>		8,008,422	8,345,072
Portfolio transaction costs included in securities cost		(20,258)	—
<b>TOTAL INVESTMENTS IN NON-DERIVATIVE FINANCIAL ASSETS (99.4%)</b>		99,598,809	100,535,550
<b>OTHER NET ASSETS (0.6%)</b>			597,826
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100%)</b>			101,133,376

# Addenda Income Focus Fund

## Financial instrument disclosures for the periods ended December 31, 2023 and 2022

The investment objective of this Fund is to provide income while focusing on capital preservation and providing some potential for capital growth by investing primarily in a mix of domestic and foreign fixed income-oriented securities and to a lesser extent, domestic and foreign equity securities through a sustainable investment approach. Such investments may be made by the Fund either directly or indirectly through investments in other mutual funds, including ETFs.

### Financial instruments risks

(For a description of the various risks, refer to Note 5.)

#### Credit risk

As at December 31, 2023 and 2022, the Fund invested in debt instruments, whose credit ratings are provided by DBRS, Moody's or S&P or an equivalent credit rating agency. In the event of one or more ratings differing from the others, the majority rating will prevail, or, in the event of more than two ratings differing, the median rating shall prevail. In the event that there are only two ratings available, the more conservative rating will prevail. The credit rating is then converted to DBRS format.

Debt instruments by credit rating	Net assets attributable to holders of redeemable units as at December 31, 2023 (%)	Net assets attributable to holders of redeemable units as at December 31, 2022 (%)
AAA	19.6	20.4
AA	27.2	23.9
A	13.8	15.3
BBB	6.9	7.1
Below BBB	0.6	0.3

As at December 31, 2023 and 2022, the Fund invested in short-term financial instruments with the following credit ratings from DBRS:

Short-term financial instruments by credit rating	Net assets attributable to holders of redeemable units as at December 31, 2023 (%)	Net assets attributable to holders of redeemable units as at December 31, 2022 (%)
R1-high	2.1	4.7
R1-mid	0.4	—

The Fund is also exposed to indirect credit risk to the extent the underlying funds have exposure to it.

According to the Fund's investment policy, short-term instruments must have a minimum credit rating of R1-low at the time of purchase; other fixed-income securities must have a minimum credit rating of BB-low at the time of purchase.

For Canadian bonds, the Fund's maximum holding, calculated on the Fund's Canadian bonds total fair value at the time of purchase, in securities of a given issuer shall not exceed 10% when the issuer has a credit rating greater than BBB-high, 5% when the issuer has a credit rating lower than A-low and greater than BB-high; and 2% when the issuer has a credit rating lower than BBB-low. Notwithstanding the foregoing, where the weight of an issuer within the Reference Index exceeds the limits defined above, the Fund may hold a position in the issuer's securities that is equal to, but no higher than, the issuer's weight within the FTSE Canada Universe Index, up to 10%. The limits do not apply to securities issued or guaranteed by the Government of Canada, its agencies and Crown corporations, by a supranational body, by any province of Canada, its agencies and Crown Corporations, by foreign governments and any commingled investment vehicle. Derivative products can be used for hedging credit exposure.

Futures contracts, forward contracts, swaps, options, buy/sell back transactions, sell/buy back transactions and other derivatives transactions must be initiated with a bank rated at least A-low at the time of the initial transaction, or its broker-dealer affiliates, or negotiated on a recognized exchange.

#### Liquidity risk

The Fund is exposed to liquidity risk because of daily cash redemptions of units. It therefore invests the majority of its assets in liquid investments that can be readily disposed of. Also, the Fund retains enough positions in cash and short-term financial instruments to maintain the level of liquidity required. The Fund is therefore not exposed to significant liquidity risk.

According to the Fund's investment policy, no more than 10% of the total fair value of the financial instruments can be invested in illiquid investments.

#### Currency risk

The Fund's exposure to foreign currencies is as follows:

As at December 31, 2023				
Currency	Non-monetary (\$'000)	Monetary (\$'000)	Net exposure (\$'000)	Net assets attributable to holders of redeemable units (%)
Euro	2,836	1	2,837	2.8
Pound Sterling	1,103	—	1,103	1.1
Japanese Yen	899	—	899	0.9
Swiss Franc	282	1	283	0.3
U.S. Dollar	5,165	38	5,203	5.1

Impact on net assets attributable to holders of redeemable units (\$'000) **103**

December 31, 2022				
Currency	Non-monetary (\$'000)	Monetary (\$'000)	Net exposure (\$'000)	Net assets attributable to holders of redeemable units (%)
Euro	1,501	2	1,503	1.6
Pound Sterling	674	—	674	0.7
Japanese Yen	321	—	321	0.3
Swiss Franc	147	—	147	0.2
U.S. Dollar	3,657	5	3,662	3.9

Impact on net assets attributable to holders of redeemable units (\$'000) **63**

The Fund is also exposed to indirect currency risk to the extent the underlying funds have exposure to it.

As at December 31, 2023 and 2022, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, according to the amounts indicated in the table. In practice, the actual results may differ from this sensitivity analysis and the differences could be material.

According to the Fund's investment policy, no more than 35% of the total fair value of the financial instruments can be invested in foreign securities. Derivative products can be used for hedging currency exposure.

# Addenda Income Focus Fund

## Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

### Financial instruments risks (continued)

#### Interest rate risk

As at December 31, 2023 and 2022, the Fund is exposed to interest rate risk due to its investments in debt instruments.

The Fund's exposure to debt instruments by maturity date is as follows:

Debt instruments by maturity date	As at	As at
	December 31, 2023 (\$'000)	December 31, 2022 (\$'000)
Less than 1 year	2,764	6,801
1 – 5 years	13,362	5,366
5 – 10 years	39,741	38,818
More than 10 years	15,544	16,023
<b>Impact on net assets attributable to holders of redeemable units (\$'000)</b>	<b>1,353</b>	<b>1,309</b>

This table summarizes the Fund's direct exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value which are exposed to interest rate risk, categorized by the earlier of contractual re-pricing or maturity dates. The Fund is also exposed to indirect interest rate risk to the extent the underlying funds have exposure to interest rate risk.

As at December 31, 2023 and 2022, an increase or decrease in the interest rates of 0.25%, with all other variables held constant, would have decreased or increased net assets attributable to holders of redeemable units, respectively, according to the amounts indicated in the table. In practice, actual results may differ from this sensitivity analysis and the differences could be material.

#### Price risk

As at December 31, 2023 and 2022, the impact on the net assets attributable to holders of redeemable units of an increase or decrease in the reference index of 1% cannot be established according to the historical correlation between the return of the Fund and that of the reference index, with all other variables held constant, is as follows:

Reference index	Impact on net assets attributable to holders of redeemable units as at December 31, 2023 (\$'000)	Impact on net assets attributable to holders of redeemable units as at December 31, 2022* (\$'000)
• 70% FTSE Canada Universe Bond		
• 10% Bloomberg US High Yield 2% Issuer Capped Index (CAD hedged), expressed in Canadian dollars		
• 10% S&P/TSX Composite		
• 5% S&P 500, expressed in Canadian dollars		
• 5% MSCI EAFE Net, expressed in Canadian dollars	1,001	N/A

\* As at December 31, 2022, the impact on the net assets attributable to holders of redeemable units of an increase or decrease in the reference index of 1% cannot be established according to the historical correlation between the return of the Fund and that of the reference index, due to the short period since beginning of operations on March 28, 2022.

In practice, actual results may differ from this sensitivity analysis and the differences could be material.

### Concentration risk

The following table is a summary of the Fund's concentration risk:

	December 31, 2023 (%)	December 31, 2022 (%)
<b>EQUITIES</b>		
<b>Preferred Equities</b>		
Communication services	—	0.1
Consumer staples	—	0.1
Energy	—	0.8
Financial	—	2.2
Utilities	—	0.7
<b>Total Preferred Equities</b>	<b>—</b>	<b>3.9</b>
<b>Common Equities</b>		
<i>By Country</i>		
Canada	10.3	9.2
France	1.3	0.8
Germany	0.8	0.3
Ireland	0.2	0.1
Japan	0.9	0.3
Netherlands	0.2	0.1
Spain	0.3	0.1
Switzerland	0.6	0.3
United Kingdom	0.9	0.8
United States	5.0	3.9
	<b>20.5</b>	<b>15.9</b>
<i>By Sector</i>		
<b>Government</b>		
Communication Services	0.8	0.6
Consumer Discretionary	1.7	1.3
Consumer Staples	1.7	1.2
Energy	1.8	1.8
Financials	4.0	3.4
Health Care	2.0	1.3
Industrials	3.0	2.5
Information Technology	3.5	2.6
Materials	1.9	1.2
Real Estate	0.1	—
	<b>20.5</b>	<b>15.9</b>
<b>Total Common Equities</b>	<b>20.5</b>	<b>15.9</b>
<b>TOTAL EQUITIES</b>	<b>20.5</b>	<b>19.8</b>
<b>BONDS</b>		
<b>Canadian issuers</b>		
Government of Canada	17.6	19.8
Provincial governments and Crown corporations	25.5	23.6
Municipalities and semi-public institutions	1.2	1.3
Corporates	21.9	21.6
<b>Total Canadian issuers</b>	<b>66.2</b>	<b>66.3</b>
<b>Foreign issuers</b>		
Supranational Bonds	1.9	0.7
<b>Total Foreign issuers</b>	<b>1.9</b>	<b>0.7</b>
<b>TOTAL BONDS</b>	<b>68.1</b>	<b>67.0</b>

# Addenda Income Focus Fund

Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

## Financial instruments risks (continued)

### Concentration risk (continued)

	December 31, 2023 (%)	December 31, 2022 (%)
<b>MONEY MARKET SECURITIES</b>		
Government of Canada	2.1	4.7
Provincial governments and Crown corporations	0.4	—
<b>TOTAL MONEY MARKET SECURITIES</b>	<b>2.5</b>	<b>4.7</b>
<b>INVESTMENT FUNDS</b>		
NEI Global Impact Bond Fund – Series I	3.3	5.0
NEI Global High Yield Bond Fund – Series I	5.0	3.1
<b>TOTAL INVESTMENT FUNDS</b>	<b>8.3</b>	<b>8.1</b>
<b>TOTAL INVESTMENTS IN NON-DERIVATIVE FINANCIAL ASSETS</b>	<b>99.4</b>	<b>99.6</b>
<b>OTHER NET ASSETS</b>	<b>0.6</b>	<b>0.4</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>100.0</b>	<b>100.0</b>

## Fair value measurement

(For a description of the financial instruments classification, refer to Note 6.)

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value as at December 31, 2023 and 2022:

As at December 31, 2023	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>Financial assets</b>				
Equities	20,780	—	—	20,780
Bonds	—	68,865	—	68,865
Money market	—	2,546	—	2,546
Investment funds	—	8,345	—	8,345
<b>Total</b>	<b>20,780</b>	<b>79,756</b>	<b>—</b>	<b>100,536</b>
<b>As at December 31, 2022</b>				
<b>Financial assets</b>				
Equities	18,198	270	—	18,468
Bonds	—	62,624	—	62,624
Money market	—	4,385	—	4,385
Investment funds	—	7,617	—	7,617
<b>Total</b>	<b>18,198</b>	<b>74,896</b>	<b>—</b>	<b>93,094</b>

## Transfers between levels

There were no securities transferred between levels during the periods ended December 31, 2023 and 2022.

## Redeemable units

(Refer to Note 7.)

For the periods ended December 31, 2023 and 2022, the number of units issued, redeemed, and outstanding was as follows:

	Units outstanding beginning of period	Units issued	Reinvested units	Redeemed units	Units outstanding end of period
Series A	2023	264	19,333	368	404
	2022	—	263	1	—
Series F	2023	9,819,275	—	248,271	—
	2022	—	9,657,592	161,683	—

## Management fees and administration fees

(Refer to Note 8.)

Management fees and administration fees of each series of the Fund are payable to the Manager and calculated at the following annual percentages, before GST/HST/QST, of the daily NAV of each series of the Fund.

	Management Fees (%)	Administration Fees (%)
Series A	1.20	0.20
Series F	0.50	0.20

## Related party transactions

(Refer to Note 9.)

As at December 31, 2023 and 2022, the Manager held units of the Fund as follows:

	December 31, 2023		December 31, 2022	
	Fair value of units held (\$)	Ownership of Fund units (%)	Fair value of units held (\$)	Ownership of Fund units (%)
Series A	10	—	9	—
Series F	10	—	10	—

# Addenda Income Focus Fund

Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

## Related party transactions (continued)

Related party transactions of the Manager with the Fund during the periods ended December 31, 2023 and 2022, are as follows:

		Purchased units (\$)	Redeemed units (\$)	Income distribution (\$)	Gain distribution (return on capital) (\$)	Reinvested units (\$)
Series A	2023	—	—	—	—	—
	2022	10	—	—	—	—
Series F	2023	—	—	—	—	—
	2022	10	—	—	—	—

Other related party transactions presented in the financial statements incurred by the Fund with the Manager are as follows:

	December 31, 2023 (\$)	December 31, 2022 (\$)
Accrued management fees	42,426	40,524
Management fees	480,489	339,922
Accrued administration fees	16,970	16,210
Administration fees	183,078	142,607

As at December 31, 2023 and 2022, associated entities under common control or common significant influence (the “Co-operators group of entities”) held units of the Fund as follows:

	December 31, 2023		December 31, 2022	
	Fair value of units held (\$)	Ownership of Fund units (%)	Fair value of units held (\$)	Ownership of Fund units (%)
Series F	100,941,234	99.8	93,493,235	100.0

Related party transactions of the Co-operators group of entities with the Fund during the periods ended December 31, 2023 and 2022, are as follows:

	Purchased units (\$)	Redeemed units (\$)	Income distribution (\$)	Gain distribution (return on capital) (\$)	Reinvested units (\$)
Series F	2023	—	2,409,218	—	2,409,218
	2022	99,999,990	—	1,564,000	—

## Interest in unconsolidated structured entities

(Refer to Note 10.)

The table below sets out interests held by the Fund in unconsolidated structured entities as at December 31, 2023 and 2022:

Investee Funds	December 31, 2023		December 31, 2022	
	Carrying amount included in Investments in non-derivative financial assets (\$)	Ownership of Fund units (%)	Carrying amount included in Investments in non-derivative financial assets (\$)	Ownership of Fund units (%)
NEI Global High Yield Bond – Series I	3,319,844	1.2	2,951,346	1.2
NEI Global Impact Bond – Series I	5,025,228	1.1	4,665,771	1.0

The Funds can redeem units in the above investment funds on a daily basis. Once a Fund has disposed of its shares in an Investee Fund, it ceases to be exposed to any risk from that Investee Fund.

# Addenda Income Focus Fund

## Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

### Interest in unconsolidated structured entities (continued)

During the periods ended December 31, 2023 and 2022, income and net gains (losses) incurred on investments in Investee Funds were as follows:

Investee Funds	December 31, 2023			December 31, 2022		
	Income (\$)	Realized net gains (losses) (\$)	Unrealized net gains (losses) (\$)	Income (\$)	Realized net gains (losses) (\$)	Unrealized net gains (losses) (\$)
NEI Global High Yield Bond – Series I	187,987	18	180,493	46,140	—	5,206
NEI Global Impact Bond – Series I	181,836	24	177,597	92,417	—	(26,646)

### Taxes

(Refer to Note 3.)

Capital and non-capital losses determined for tax purposes as at December 31, 2023, which is the fiscal year-end, are as follows:

Capital losses	Non-capital losses	
Amount (\$)	Amount (\$)	Expiration
3,525,427	—	—

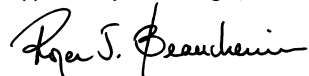


# Addenda Global Balanced Fund

## Statements of financial position

As at December 31	2023 \$	2022 \$
<b>Assets</b>		
Current assets		
Investments in non-derivative financial assets	102,149,525	91,458,375
Cash	210,830	30,288
Interest receivable	236,481	174,680
Dividends receivable	105,045	79,545
<b>Total assets</b>	<b>102,701,881</b>	<b>91,742,888</b>
<b>Liabilities</b>		
Current liabilities		
Accrued management fees	43,029	39,659
Accrued administration fees	17,212	15,863
Accrued harmonized sales tax and other taxes	9,241	8,396
Other accrued expenses	740	301
Total liabilities (excluding net assets attributable to holders of redeemable units)	70,222	64,219
<b>Net assets attributable to holders of redeemable units</b>	<b>102,631,659</b>	<b>91,678,669</b>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A	338,836	77,196
Series F	102,292,823	91,601,473
<b>Units outstanding</b>		
Series A	34,398	8,521
Series F	10,418,426	10,213,018
<b>Net assets attributable to holders of redeemable units per unit</b>		
Series A	9.85	9.06
Series F	9.82	8.97

Approved by the Manager,



**Roger J. Beauchemin**  
President and  
Chief Executive Officer



**Janick Boudreau**  
Executive Vice-President,  
Business Development  
& Client Partnerships

## Statements of comprehensive income

Periods ended December 31	2023 \$	2022* \$
<b>Income</b>		
Interest for distribution purposes	1,161,047	619,210
Dividend income	1,279,225	1,269,923
Income from funds	356,859	135,375
Other income	57	—
Net other gain (loss)	(19,425)	(11,019)
Change in unrealized on foreign exchange gain (loss) on cash	(907)	(34)
Other changes in fair value of investments and derivatives		
Net realized gain (loss) on investments	(962,859)	(2,662,819)
Change in unrealized appreciation (depreciation)	9,802,298	(7,053,969)
<b>Total income (net)</b>	<b>11,616,295</b>	<b>(7,703,333)</b>
<b>Expenses (Note 8)</b>		
Management fees	482,581	331,656
Administration fees	184,142	139,334
Independent review committee fees	16,585	8,916
Registration and other filing fees	2,348	447
Trailer fees	2,435	—
Harmonized sales tax and other taxes	103,006	71,075
Tax liability	34,292	—
Commissions and other portfolio transaction costs	29,916	102,590
Withholding expenses	46,784	38,269
<b>Total expenses</b>	<b>902,089</b>	<b>692,287</b>
Increase (decrease) in net assets attributable to holders of redeemable units	10,714,206	(8,395,620)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	22,837	2,923
Series F	10,691,369	(8,398,543)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Series A	0.88	1.26
Series F	1.04	(0.85)
<b>Weighted average units outstanding for the period</b>		
Series A	25,901	2,328
Series F	10,306,378	9,879,365

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

## Addenda Global Balanced Fund

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	91,678,669	—
Increase (decrease) in net assets attributable to holders of redeemable units	10,714,206	(8,395,620)
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,931,650)	(1,281,136)
Total distributions to holders of redeemable units	(1,931,650)	(1,281,136)
Redeemable unit transactions		
Amount received from the issuance of units	284,198	100,074,289
Amount received from reinvestment of distributions	1,931,631	1,281,136
Amount paid on redemptions of units	(45,395)	—
Net increase (decrease) from redeemable unit transactions	2,170,434	101,355,425
Net increase (decrease) in net assets attributable to holders of redeemable units	10,952,990	91,678,669
Net assets attributable to holders of redeemable units at end of period	102,631,659	91,678,669

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31 Series F	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	91,601,473	—
Increase (decrease) in net assets attributable to holders of redeemable units	10,691,369	(8,398,543)
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,927,348)	(1,280,723)
Total distributions to holders of redeemable units	(1,927,348)	(1,280,723)
Redeemable unit transactions		
Amount received from the issuance of units	—	100,000,016
Amount received from reinvestment of distributions	1,927,329	1,280,723
Net increase (decrease) from redeemable unit transactions	1,927,329	101,280,739
Net increase (decrease) in net assets attributable to holders of redeemable units	10,691,350	91,601,473
Net assets attributable to holders of redeemable units at end of period	102,292,823	91,601,473

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31 Series A	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	77,196	—
Increase (decrease) in net assets attributable to holders of redeemable units	22,837	2,923
Distributions paid or payable to holders of redeemable units		
From net investment income	(4,302)	(413)
Total distributions to holders of redeemable units	(4,302)	(413)
Redeemable unit transactions		
Amount received from the issuance of units	284,198	74,273
Amount received from reinvestment of distributions	4,302	413
Amount paid on redemptions of units	(45,395)	—
Net increase (decrease) from redeemable unit transactions	243,105	74,686
Net increase (decrease) in net assets attributable to holders of redeemable units	261,640	77,196
Net assets attributable to holders of redeemable units at end of period	338,836	77,196

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

# Addenda Global Balanced Fund

## Statements of cash flows

Periods ended December 31	2023 \$	2022* \$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	10,714,206	(8,395,620)
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	907	34
Net realized (gain) loss on sale of investments	962,859	2,662,819
Net change in unrealized (appreciation) depreciation of investments and derivatives	(9,802,298)	7,053,969
Amortization of premiums or discounts	(1,314)	—
Change in interest accrual on discount notes and Treasury bills	11,917	(23,695)
Distributions from underlying funds	(356,859)	(135,375)
Purchase of investments	(74,932,815)	(157,985,561)
Proceeds from the sale of investments	73,427,360	56,969,468
Interest receivable	(61,801)	(174,680)
Dividends receivable	(25,500)	(79,545)
Other liabilities	6,003	64,219
<b>Net cash from operating activities</b>	<b>(57,335)</b>	<b>(100,043,967)</b>
<b>Cash flows from financing activities</b>		
Amount received from the issuance of units	284,198	100,074,289
Amount paid on redemptions of units	(45,395)	—
Distributions paid to unitholders	(19)	—
<b>Net cash used in financing activities</b>	<b>238,784</b>	<b>100,074,289</b>
Change in unrealized on foreign exchange gain (loss) on cash	(907)	(34)
Increase (decrease) in cash during the period	181,449	30,322
Cash at beginning of period	30,288	—
<b>Cash at end of period</b>	<b>210,830</b>	<b>30,288</b>
<b>Supplemental information on cash flows from (used in) Operating Activities</b>		
Interest received	1,109,849	420,835
Dividends received, net of withholding taxes	1,206,941	1,152,109

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

# Addenda Global Balanced Fund

## Schedule of investment portfolio as at December 31, 2023

	Number of shares	Cost \$	Fair value \$		Number of shares	Cost \$	Fair value \$
<b>EQUITIES (61.9%)</b>				<b>Japan (2.8%)</b>			
<b>Common Equities (61.9%)</b>				Air Water Inc. 17,000 297,455 306,319			
<b>Canada (31.4%)</b>				Daifuku Co. Ltd. 14,700 358,381 392,192			
Air Canada	7,470	178,105	139,614	Hoya Corp.	2,700	368,426	445,091
Bank of Montreal	12,020	1,452,252	1,575,942	Nidec Corp.	11,600	870,395	617,884
Bank of Nova Scotia	14,970	1,334,728	965,565	Nippon Sanso Holdings Corp.	14,000	345,998	494,442
Barrick Gold Corp.	13,450	313,680	321,993	Terumo Corp.	15,000	579,022	648,450
BCE Inc.	5,805	321,677	302,847			2,819,677	2,904,378
Brookfield Asset Management Ltd.				<b>Netherlands (0.7%)</b>			
Class A	6,940	360,928	369,347	Heineken NV 5,217 649,243 698,655			
Brookfield Corp., Class A	34,280	1,992,090	1,821,982			649,243	698,655
Cameco Corp.	10,980	419,851	627,287	<b>Spain (0.8%)</b>			
Canadian National Railway Co.	8,420	1,417,031	1,402,351	Grifols SA, Class A 36,491 754,358 821,472			
Canadian Natural Resources Ltd.	21,930	1,709,084	1,903,743			754,358	821,472
Canadian Pacific Kansas City Ltd.	13,820	1,422,755	1,448,889	<b>Switzerland (1.9%)</b>			
CCL Industries Inc., Class B	10,523	598,771	627,066	Coca-Cola HBC AG 21,122 635,737 818,391			
CGI Inc., Class A	10,590	1,115,266	1,503,251	DSM-Firmenich AG 2,022 337,379 270,961			
Colliers International Group Inc.	1,660	215,547	278,216	Nestlé SA, Registered 3,448 550,996 526,742			
Dollarama Inc.	14,870	1,063,531	1,419,937	Sika AG, Registered 772 229,391 331,035			
Enbridge Inc.	29,760	1,677,729	1,419,552			1,753,503	1,947,129
Franco-Nevada Corp.	1,166	226,448	171,134	<b>United Kingdom (2.6%)</b>			
iA Financial Corp. Inc.	3,900	302,583	352,287	Diageo PLC 6,963 430,604 334,279			
Kinaxis Inc.	1,320	214,670	196,297	Experian PLC 18,185 903,789 978,791			
Loblaw Cos. Ltd.	8,860	996,854	1,136,561	Linde PLC 337 146,363 182,506			
Magna International Inc.	3,055	252,777	239,176	Prudential PLC 22,903 413,571 341,562			
Manulife Financial Corp.	23,800	639,349	696,864	RELX PLC 16,923 702,676 884,694			
Nutrien Ltd.	7,820	954,173	583,763			2,597,003	2,721,832
Open Text Corp.	21,680	1,173,795	1,207,359	<b>United States (15.0%)</b>			
Quebecor Inc., Class B				Adobe Inc. 591 330,408 464,926			
Subordinate Voting Shares	13,330	412,562	420,161	Akamai Technologies Inc. 1,998 297,106 311,801			
Restaurant Brands International Inc.	6,910	619,436	715,392	Alphabet Inc., Class C 3,996 695,239 742,578			
Rogers Communications Inc., Class B	12,200	828,079	756,766	Amphenol Corp., Class A 2,126 206,126 277,895			
Royal Bank of Canada	12,640	1,759,417	1,693,760	Apple Inc. 4,112 921,738 1,043,914			
Shopify Inc., Class A	13,500	1,129,610	1,392,660	Ball Corp. 3,899 329,762 295,723			
Suncor Energy Inc.	11,290	457,193	479,261	Becton, Dickinson and Co. 551 186,157 177,154			
TC Energy Corp.	17,960	1,218,311	929,610	Booking Holdings Inc. 86 265,285 402,253			
Teck Resources Ltd., Class B	7,850	434,239	439,678	Broadcom Inc. 778 702,176 1,145,128			
Toronto-Dominion Bank	24,320	2,431,080	2,082,278	Broadridge Financial Solutions Inc. 1,084 209,976 294,091			
Tourmaline Oil Corp.	5,870	391,772	349,793	Charles Schwab Corp. 4,191 441,607 380,206			
Wheaton Precious Metals Corp.	20,410	1,208,133	1,334,202	Church & Dwight Co. Inc. 1,574 196,868 196,257			
WSP Global Inc.	4,820	809,654	895,267	Costco Wholesale Corp. 529 377,555 460,432			
		32,053,160	32,199,851	CVS Health Corp. 2,816 353,726 293,193			
<b>France (3.9%)</b>				Danaher Corp. 825 268,296 251,662			
Capgemini SE	3,368	925,419	925,970	F5 Inc. 721 185,459 170,158			
EssilorLuxottica	3,532	849,798	934,274	Fiserv Inc. 1,762 228,310 308,637			
LVMH Moët Hennessy Louis Vuitton SE	784	749,173	837,748	Fortive Corp. 2,526 196,550 245,246			
Schneider Electric SE	3,890	852,621	1,029,991	Global Payments Inc. 1,757 291,073 294,231			
Worldline SA	11,475	566,336	261,914	Honeywell International Inc. 1,279 316,450 353,674			
		3,943,347	3,989,897	Intuit Inc. 476 287,785 392,302			
<b>Germany (2.3%)</b>				IQVIA Holdings Inc. 1,141 303,977 348,117			
Adidas AG	1,775	495,372	476,136	Johnson & Johnson 817 181,889 168,855			
Fresenius SE & Co. KGaA	15,611	697,203	638,280	JPMorgan Chase & Co. 1,740 307,732 390,271			
SAP SE	3,945	607,407	801,487	Lowe's Cos. Inc. 1,036 284,902 304,019			
Symrise AG	2,729	388,289	396,073	Microsoft Corp. 2,233 882,021 1,107,225			
		2,188,271	2,311,976	Middleby Corp. 1,386 240,058 268,965			
<b>Ireland (0.5%)</b>				Mondelez International Inc., Class A 2,650 214,605 253,091			
Kerry Group PLC, Class A	4,752	638,181	544,463	Moody's Corp. 282 119,936 145,228			
		638,181	544,463	Nike Inc., Class B 2,119 369,349 303,357			
				PepsiCo Inc. 1,082 230,069 242,315			
				PNC Financial Services Group Inc. 988 240,147 201,735			
				ResMed Inc. 1,285 263,659 291,471			
				Stryker Corp. 522 178,450 206,121			

# Addenda Global Balanced Fund

## Schedule of investment portfolio (continued) as at December 31, 2023

	Number of shares	Cost \$	Fair value \$		Par value \$	Cost \$	Fair value \$
<b>United States (continued)</b>				<b>Provincial governments and Crown corporations (continued)</b>			
Thermo Fisher Scientific Inc.	612	454,333	428,339	University of Toronto			
TJX Cos. Inc.	3,814	307,470	471,784	Series B, 5.841%, 2043-12-15	125,000	161,310	145,696
Union Pacific Corp.	605	207,309	195,944	Series E, 4.251%, 2051-12-07	225,000	240,646	218,117
United Parcel Service Inc., Class B	869	242,110	180,164			10,751,157	10,710,287
UnitedHealth Group Inc.	685	442,820	475,529	<b>Municipalities and semi-public institutions (0.5%)</b>			
Veralto Corp.	1	114	108	City of Ottawa			
Visa Inc., Class A	1,429	408,274	490,572	3.250%, 2047-11-10	250,000	234,475	211,933
Walt Disney Co.	1,951	309,516	232,279	South Coast British Columbia Transportation Authority			
Warner Bros. Discovery Inc.	10,996	295,208	165,002	Series TL-7, 3.250%, 2028-11-23	275,000	279,538	271,210
		13,771,600	15,371,952			514,013	483,143
<b>Total Common Equities</b>		61,168,343	63,511,605	<b>Corporates (8.9%)</b>			
<b>TOTAL EQUITIES</b>		61,168,343	63,511,605	Algonquin Power Co.			
				Series 5, 4.600%, 2029-01-29	1,000,000	964,062	992,135
				Brookfield Renewable Partners ULC			
				Series 10, 3.630%, 2027-01-15	300,000	285,519	291,952
				Series 11, 4.250%, 2029-01-15	250,000	254,125	246,422
				Series 12, 3.380%, 2030-01-15	500,000	477,235	466,934
				Series 14, 3.330%, 2050-08-13	200,000	168,236	149,393
				Canadian National Railway Co.			
				4.400%, 2033-05-10	350,000	337,081	354,185
				Canadian Pacific Railway Co.			
				2.540%, 2028-02-28	200,000	187,420	187,493
				Capital Power Corp.			
				7.950%, 2082-09-09	100,000	100,000	98,297
				Central 1 Credit Union			
				5.417%, 2025-09-29	200,000	198,592	200,868
				5.877%, 2026-11-10	140,000	140,000	143,292
				Series 7, 2.391%, (Floating rate starting in 2026), 2031-06-30	600,000	562,950	545,548
				Choice Properties REIT			
				Series Q, 2.456%, 2026-11-30	250,000	234,623	235,734
				Coast Capital Savings Federal Credit Union			
				Series 3, 8.875%, (Floating rate starting in 2028), 2033-05-02	150,000	150,000	151,990
				Comber Wind L.P.			
				Series 1, 5.132%, 2030-11-15	207,995	213,316	206,928
				Connect 6ix G.P.			
				Series A, 6.112%, 2046-11-30	30,000	30,000	33,268
				Dream Industrial REIT			
				Series E, 3.968%, 2026-04-13	250,000	250,808	245,290
				Fédération des caisses Desjardins du Québec			
				1.992%, (Floating rate starting in 2026), 2031-05-28	200,000	184,906	186,472
				5.035%, (Floating rate starting in 2027), 2032-08-23	600,000	592,692	600,031
				FortisBC Energy Inc.			
				Series 33, 2.540%, 2050-07-13	550,000	427,867	386,494
				Ivanhoe Cambridge II Inc.			
				Series 3, 4.994%, 2028-06-02	210,000	208,341	214,537
				Lower Mattagami Energy L.P.			
				Series 21-1, 2.433%, 2031-05-14	1,000,000	912,880	893,543
				National Bank of Canada			
				5.296%, 2025-11-03	80,000	79,239	80,755
				4.968%, 2026-12-07	50,000	50,000	50,655
				Ontario Power Generation Inc.			
				Series 7, 3.215%, 2030-04-08	1,000,000	912,050	944,593
				Series 3, 4.248%, 2049-01-18	540,000	541,140	513,820
<b>BONDS (27.5%)</b>							
<b>Canadian issuers (26.8%)</b>							
<b>Government of Canada (7.0%)</b>							
Series L518, 0.250%, 2026-03-01	350,000	324,128	325,705				
Series P576, 3.500%, 2028-03-01	300,000	298,848	303,152				
Series N670, 2.250%, 2029-12-01	4,389,000	4,210,385	4,201,503				
Series K379, 1.250%, 2030-06-01	500,000	413,025	446,798				
Series N597, 2.000%, 2032-06-01	150,000	139,160	137,811				
Series Q236, 2.750%, 2033-06-01	670,000	620,114	651,175				
Series H722, 2.000%, 2051-12-01	270,000	197,542	217,477				
Series M680, 1.750%, 2053-12-01	640,000	474,679	480,951				
Canada Housing Trust No. 1							
Series 58, 2.900%, 2024-06-15	60,000	59,365	59,431				
CPPIB Capital Inc.							
Series 8, 3.000%, 2028-06-15	250,000	240,920	244,501				
PSP Capital Inc.							
Series G-13, 4.400%, 2030-12-02	140,000	139,880	146,538				
		7,118,046	7,215,042				
<b>Provincial governments and Crown corporations (10.4%)</b>							
55 School Board Trust							
Series A, 5.900%, 2033-06-02	325,000	376,834	369,749				
Hospital For Sick Children							
Series B, 3.416%, 2057-12-07	500,000	471,355	422,092				
Hydro-Québec							
Series JG, 6.000%, 2031-08-15	375,000	460,725	432,361				
Series 20, 6.000%, 2040-02-15	1,600,000	2,077,360	1,981,403				
Province of British Columbia							
Series BCCD-35, 2.800%							
2048-06-18	580,000	433,138	470,993				
Province of Ontario							
Series DMTN244, 1.850%							
2027-02-01	550,000	518,755	521,242				
Series DMTN251, 1.550%							
2029-11-01	2,980,000	2,639,843	2,672,857				
Series DMTN257, 4.050%							
2032-02-02	2,130,000	2,117,089	2,186,219				
3.650%, 2033-06-02	190,000	180,196	188,218				
Zero Coupon, 2043-06-02	370,000	141,715	170,409				
Series DMTN236, 2.900%							
2049-06-02	75,000	62,494	61,941				
Province of Québec							
3.650%, 2032-05-20	750,000	751,004	749,818				
Ryerson University							
Series B, 3.542%, 2061-05-04	145,000	118,693	119,172				

# Addenda Global Balanced Fund

## Schedule of investment portfolio (continued) as at December 31, 2023

	Par value \$	Cost \$	Fair value \$
<b>Corporates (continued)</b>			
RioCan Real Estate Investment Trust Series AE, 2.829%, 2028-11-08	125,000	114,016	112,086
Sun Life Financial Inc. Series 2023-1, 5.500% (Floating rate starting in 2030) 2035-07-04	535,000	531,850	553,323
		9,108,948	9,086,038
<b>Total Canadian issuers</b>		27,492,164	27,494,510
<b>Foreign issuers (0.7%)</b>			
<b>Supranational Bonds (0.7%)</b>			
Inter-American Development Bank 4.600%, 2029-03-01	500,000	499,950	525,855
International Bank for Reconstruction and Development Series 101383, 1.200%, 2026-07-22	235,000	219,812	220,018
<b>Total Foreign issuers</b>		719,762	745,873
<b>TOTAL BONDS</b>		28,211,926	28,240,383
<b>MONEY MARKET SECURITIES (2.2%)</b>			
<b>Government of Canada (1.8%)</b>			
Canada Treasury Bills			
2024-02-01	60,000	59,180	59,740
2024-02-29	1,620,000	1,598,365	1,606,975
2024-03-28	170,000	167,730	167,985
		1,825,275	1,834,700
<b>Provincial governments and Crown corporations (0.4%)</b>			
Province of Québec Discount Notes			
2024-02-23	450,000	444,366	446,719
		444,366	446,719
<b>TOTAL MONEY MARKET SECURITIES</b>		2,269,641	2,281,419
	Number of units	Cost \$	Fair value \$
<b>INVESTMENT FUNDS (7.9%)</b>			
NEI Global High Yield Bond Fund Series 1			
	420,970	2,917,997	3,090,890
NEI Global Impact Bond Fund Series 1			
	573,958	4,874,277	5,025,228
<b>TOTAL INVESTMENT FUNDS</b>		7,792,274	8,116,118
<b>Portfolio transaction costs included in securities cost</b>		(52,766)	—
<b>TOTAL INVESTMENTS IN NON-DERIVATIVE FINANCIAL ASSETS (99.5%)</b>		99,389,418	102,149,525
<b>OTHER NET ASSETS (0.5%)</b>			482,134
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100%)</b>			102,631,659

# Addenda Global Balanced Fund

## Financial instrument disclosures for the periods ended December 31, 2023 and 2022

The investment objective of this Fund is to provide long-term capital growth and generate dividend and interest income by investing in domestic and foreign equity as well as fixed income securities through a sustainable investment approach. Such investments may be made by the Fund either directly or indirectly through investments in other mutual funds, including ETFs.

### Financial instruments risks

(For a description of the various risks, refer to Note 5.)

#### Credit risk

As at December 31, 2023 and 2022, the Fund invested in debt instruments, whose credit ratings are provided by DBRS, Moody's or S&P or an equivalent credit rating agency. In the event of one or more ratings differing from the others, the majority rating will prevail, or, in the event of more than two ratings differing, the median rating shall prevail. In the event that there are only two ratings available, the more conservative rating will prevail. The credit rating is then converted to DBRS format.

Debt instruments by credit rating	Net assets attributable to holders of redeemable units as at December 31, 2023 (%)	Net assets attributable to holders of redeemable units as at December 31, 2022 (%)
AAA	7.8	8.4
AA	10.7	10.3
A	5.7	6.9
BBB	3.1	2.9
Below BBB	0.2	0.1

As at December 31, 2023 and 2022, the Fund invested in short-term financial instruments with the following credit ratings from DBRS:

Short-term financial instruments by credit rating	Net assets attributable to holders of redeemable units as at December 31, 2023 (%)	Net assets attributable to holders of redeemable units as at December 31, 2022 (%)
R1-high	1.8	5.1
R1-mid	0.4	—

The Fund is also exposed to indirect credit risk to the extent the underlying funds have exposure to it.

According to the Fund's investment policy, short-term instruments must have a minimum credit rating of R1-low at the time of purchase; other fixed-income securities must have a minimum credit rating of BB-low at the time of purchase.

For Canadian bonds, the Fund's maximum holding, calculated on the Fund's Canadian bonds total fair value at the time of purchase, in securities of a given issuer shall not exceed 10% when the issuer has a credit rating greater than BBB-high, 5% when the issuer has a credit rating lower than A-low and greater than BB-high, and 2% when the issuer has a credit rating lower than BBB-low. Notwithstanding the foregoing, where the weight of an issuer within the Reference Index exceeds the limits defined above, the Fund may hold a position in the issuer's securities that is equal to, but no higher than, the issuer's weight within the FTSE Canada Universe Index, up to 10%. The limits do not apply to securities issued or guaranteed by the Government of Canada, its agencies and Crown corporations, by a supranational body, by any province of Canada, its agencies and Crown Corporations, by foreign governments and any commingled investment vehicle. Derivative products can be used for hedging credit exposure.

Futures contracts, forward contracts, swaps, options, buy/sell back transactions, sell/buy back transactions and other derivatives transactions must be initiated with a bank rated at least A-low at the time of the initial transaction, or its broker-dealer affiliates, or negotiated on a recognized exchange.

#### Liquidity risk

The Fund is exposed to liquidity risk because of daily cash redemptions of units. It therefore invests the majority of its assets in liquid investments that can be readily disposed of. Also, the Fund retains enough positions in cash and short-term financial instruments to maintain the level of liquidity required. The Fund is therefore not exposed to significant liquidity risk.

According to the Fund's investment policy, no more than 10% of the total fair value of the financial instruments can be invested in illiquid investments.

#### Currency risk

The Fund's exposure to foreign currencies is as follows:

As at December 31, 2023				
Currency	Non-monetary (\$'000)	Monetary (\$'000)	Net exposure (\$'000)	Net assets attributable to holders of redeemable units (%)
Euro	8,637	20	8,657	8.4
Pound Sterling	3,358	—	3,358	3.3
Japanese Yen	2,904	—	2,904	2.8
Swiss Franc	858	5	863	0.8
U.S. Dollar	15,554	131	15,685	15.3

Impact on net assets attributable to holders of redeemable units (\$'000) **315**

December 31, 2022				
Currency	Non-monetary (\$'000)	Monetary (\$'000)	Net exposure (\$'000)	Net assets attributable to holders of redeemable units (%)
Euro	6,507	8	6,515	7.0
Pound Sterling	2,923	—	2,923	3.0
Japanese Yen	1,400	—	1,400	2.0
Swiss Franc	636	3	639	1.0
U.S. Dollar	12,782	19	12,801	14.0

Impact on net assets attributable to holders of redeemable units (\$'000) **243**

The Fund is also exposed to indirect currency risk to the extent the underlying funds have exposure to it.

As at December 31, 2023 and 2022, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, according to the amounts indicated in the table. In practice, the actual results may differ from this sensitivity analysis and the differences could be material.

According to the Fund's investment policy, no more than 60% of the total fair value of the financial instruments can be invested in foreign securities. Derivative products can be used for hedging currency exposure.

# Addenda Global Balanced Fund

## Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

### Financial instruments risks (continued)

#### Interest rate risk

As at December 31, 2023 and 2022, the Fund is exposed to interest rate risk due to its investments in debt instruments.

The Fund's exposure to debt instruments by maturity date is as follows:

Debt instruments by maturity date	As at	As at
	December 31, 2023 (\$'000)	December 31, 2022 (\$'000)
Less than 1 year	2,341	5,736
1 – 5 years	3,648	2,292
5 – 10 years	18,298	16,063
More than 10 years	6,235	6,927
<b>Impact on net assets attributable to holders of redeemable units (\$'000)</b>	<b>617</b>	<b>617</b>

This table summarizes the Fund's direct exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value which are exposed to interest rate risk, categorized by the earlier of contractual re-pricing or maturity dates. The Fund is also exposed to indirect interest rate risk to the extent the underlying funds have exposure to interest rate risk.

As at December 31, 2023 and 2022, an increase or decrease in the interest rates of 0.25%, with all other variables held constant, would have decreased or increased net assets attributable to holders of redeemable units, respectively, according to the amounts indicated in the table. In practice, actual results may differ from this sensitivity analysis and the differences could be material.

#### Price risk

As at December 31, 2023 and 2022, the impact on the net assets attributable to holders of redeemable units of an increase or decrease in the reference index of 1% cannot be established according to the historical correlation between the return of the Fund and that of the reference index, with all other variables held constant, is as follows:

Reference index	Impact on net assets attributable to holders of redeemable units as at December 31, 2023 (\$'000)	Impact on net assets attributable to holders of redeemable units as at December 31, 2022* (\$'000)
• 30% FTSE Canada Universe Bond		
• 10% Bloomberg US High Yield 2% Issuer Capped Index (CAD hedged), expressed in Canadian dollar		
• 30% S&P/TSX Composite		
• 15% S&P 500, expressed in Canadian dollars		
• 15% MSCI EAFE Net, expressed in Canadian dollars	1,011	N/A

\* As at December 31, 2022, the impact on the net assets attributable to holders of redeemable units of an increase or decrease in the reference index of 1% cannot be established according to the historical correlation between the return of the Fund and that of the reference index, due to the short period since beginning of operations on March 28, 2022.

In practice, actual results may differ from this sensitivity analysis and the differences could be material.

### Concentration risk

The following table is a summary of the Fund's concentration risk:

	December 31, 2023 (%)	December 31, 2022 (%)
<b>EQUITIES</b>		
<b>Preferred Equities</b>		
Consumer Staples	—	0.1
Energy	—	0.5
Financials	—	1.4
Utilities	—	0.4
<b>Total Preferred Equities</b>	<b>—</b>	<b>2.4</b>
<b>Common Equities</b>		
<i>By Country</i>		
Canada	31.4	29.2
France	3.9	3.5
Germany	2.3	1.4
Ireland	0.5	0.5
Japan	2.8	1.5
Netherlands	0.7	0.6
Spain	0.8	0.4
Switzerland	1.9	1.2
United Kingdom	2.6	3.5
United States	15.0	13.8
	<b>61.9</b>	<b>55.6</b>
<i>By Sector</i>		
Communication Services	2.5	2.1
Consumer Discretionary	5.0	4.5
Consumer Staples	5.1	4.8
Energy	5.6	5.6
Financials	12.1	11.0
Health Care	6.0	5.1
Industrials	9.0	9.0
Information Technology	10.7	9.3
Materials	5.6	4.0
Real Estate	0.3	0.2
	<b>61.9</b>	<b>55.6</b>
<b>Total Common Equities</b>	<b>61.9</b>	<b>55.6</b>
<b>TOTAL EQUITIES</b>	<b>61.9</b>	<b>58.0</b>
<b>BONDS</b>		
<b>Canadian issuers</b>		
Government of Canada	7.0	8.2
Provincial governments and Crown corporations	10.4	10.1
Municipalities and semi-public institutions	0.5	0.5
Corporates	8.9	9.5
<b>Total Canadian issuers</b>	<b>26.8</b>	<b>28.3</b>
<b>Foreign issuers</b>		
Supranational Bonds	0.7	0.3
<b>Total Foreign issuers</b>	<b>0.7</b>	<b>0.3</b>
<b>TOTAL BONDS</b>	<b>27.5</b>	<b>28.6</b>
<b>MONEY MARKET SECURITIES</b>		
Provincial governments and Crown corporations	0.4	5.1
Government of Canada	1.8	—
<b>TOTAL MONEY MARKET SECURITIES</b>	<b>2.2</b>	<b>5.1</b>



# Addenda Global Balanced Fund

Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

## Financial instruments risks (continued)

### Concentration risk (continued)

	December 31, 2023 (%)	December 31, 2022 (%)
<b>INVESTMENT FUNDS</b>		
NEI Global Impact Bond Fund – Series I	4.9	5.1
NEI Global High Yield Bond Fund – Series I	3.0	3.0
<b>TOTAL INVESTMENT FUNDS</b>	<b>7.9</b>	<b>8.1</b>
<b>TOTAL INVESTMENTS IN NON-DERIVATIVE FINANCIAL ASSETS</b>	<b>99.5</b>	<b>99.8</b>
<b>OTHER NET ASSETS</b>	<b>0.5</b>	<b>0.2</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>100.0</b>	<b>100.0</b>

## Fair value measurement

(For a description of the financial instruments classification, refer to Note 6.)

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value as at December 31, 2023 and 2022:

As at December 31, 2023	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>Financial assets</b>				
Equities	63,513	–	–	63,513
Bonds	–	28,240	–	28,240
Money market	–	2,281	–	2,281
Investment funds	–	8,116	–	8,116
<b>Total</b>	<b>63,513</b>	<b>38,637</b>	<b>–</b>	<b>102,150</b>
<b>As at December 31, 2022</b>	<b>Level 1 (\$'000)</b>	<b>Level 2 (\$'000)</b>	<b>Level 3 (\$'000)</b>	<b>Total (\$'000)</b>
<b>Financial assets</b>				
Equities	53,027	159	–	53,186
Bonds	–	26,192	–	26,192
Money market	–	4,667	–	4,667
Investment funds	–	7,413	–	7,413
<b>Total</b>	<b>53,027</b>	<b>38,431</b>	<b>–</b>	<b>91,458</b>

## Transfers between levels

There were no securities transferred between levels during the periods ended December 31, 2023 and 2022.

## Redeemable units

(Refer to Note 7.)

For the periods ended December 31, 2023 and 2022, the number of units issued, redeemed, and outstanding was as follows:

	Units outstanding beginning of period	Units issued	Reinvested units	Redeemed units	Units outstanding end of period
Series A	2023	8,521	30,257	461	34,398
	2022	–	8,476	45	8,521
Series F	2023	10,213,018	–	205,408	10,418,426
	2022	–	10,071,299	141,719	10,213,018

## Management fees and administration fees

(Refer to Note 8.)

Management fees and administration fees of each series of the Fund are payable to the Manager and calculated at the following annual percentages, before GST/HST/QST, of the daily NAV of each series of the Fund.

	Management Fees (%)	Administration Fees (%)
Series A	1.50	0.20
Series F	0.50	0.20

## Related party transactions

(Refer to Note 9.)

As at December 31, 2023 and 2022, the Manager held units of the Fund as follows:

	December 31, 2023		December 31, 2022	
	Fair value of units held (\$)	Ownership of Fund units (%)	Fair value of units held (\$)	Ownership of Fund units (%)
Series A	10	–	9	–
Series F	10	–	9	–

# Addenda Global Balanced Fund

Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

## Related party transactions (continued)

Related party transactions of the Manager with the Fund during the periods ended December 31, 2023 and 2022, are as follows:

		Purchased units (\$)	Redeemed units (\$)	Income distribution (\$)	Gain distribution (return on capital) (\$)	Reinvested units (\$)
Series A	2023	—	—	—	—	—
	2022	10	—	—	—	—
Series F	2023	—	—	—	—	—
	2022	10	—	—	—	—

Other related party transactions presented in the financial statements incurred by the Fund with the Manager are as follows:

	December 31, 2023 (\$)	December 31, 2022 (\$)
Accrued management fees	43,029	39,659
Management fees	482,581	331,656
Accrued administration fees	17,212	15,863
Administration fees	184,142	139,334

As at December 31, 2023 and 2022, associated entities under common control or common significant influence (the “Co-operators group of entities”) held units of the Fund as follows:

	December 31, 2023		December 31, 2022	
	Fair value of units held (\$)	Ownership of Fund units (%)	Fair value of units held (\$)	Ownership of Fund units (%)
Series F	102,291,218	100.0	91,600,545	99.9

Related party transactions of the Co-operators group of entities with the Fund during the periods ended December 31, 2023 and 2022, are as follows:

	Purchased units (\$)	Redeemed units (\$)	Income distribution (\$)	Gain distribution (return on capital) (\$)	Reinvested units (\$)
Series F	2023	—	1,927,330	—	1,927,330
	2022	99,999,990	—	1,280,738	1,280,738

## Interest in unconsolidated structured entities

(Refer to Note 10.)

The table below sets out interests held by the Fund in unconsolidated structured entities as at December 31, 2023 and 2022:

Investee Funds	December 31, 2023		December 31, 2022	
	Carrying amount included in Investments in non-derivative financial assets (\$)	Ownership of Fund units (%)	Carrying amount included in Investments in non-derivative financial assets (\$)	Ownership of Fund units (%)
NEI Global High Yield Bond – Series I	3,090,890	1.1	2,747,804	1.1
NEI Global Impact Bond – Series I	5,025,228	1.1	4,665,771	1.0

The Funds can redeem units in the above investment funds on a daily basis. Once a Fund has disposed of its shares in an Investee Fund, it ceases to be exposed to any risk from that Investee Fund.

# Addenda Global Balanced Fund

Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

## Interest in unconsolidated structured entities (continued)

During the periods ended December 31, 2023 and 2022, income and net gains (losses) incurred on investments in Investee Funds were as follows:

Investee Funds	December 31, 2023			December 31, 2022		
	Income (\$)	Realized net gains (losses) (\$)	Unrealized net gains (losses) (\$)	Income (\$)	Realized net gains (losses) (\$)	Unrealized net gains (losses) (\$)
NEI Global High Yield Bond – Series I	175,023	17	168,047	92,417	—	(26,646)
NEI Global Impact Bond – Series I	181,836	24	177,597	42,958	—	4,846

## Taxes

(Refer to Note 3.)

Capital and non-capital losses determined for tax purposes as at December 31, 2023, which is the fiscal year-end, are as follows:

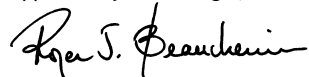
Capital losses	Non-capital losses	
Amount (\$)	Amount (\$)	Expiration
3,363,312	—	—

# Addenda Global Diversified Equity Fund

## Statements of financial position

As at December 31	2023 \$	2022 \$
<b>Assets</b>		
<b>Current assets</b>		
Investments in non-derivative financial assets	103,461,659	90,215,275
Cash	317,462	35,969
Subscriptions receivable	210	—
Interest receivable	—	22,414
Dividends receivable	159,245	107,992
<b>Total assets</b>	<b>103,938,576</b>	<b>90,381,650</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued management fees	43,587	39,058
Accrued administration fees	17,435	15,623
Accrued harmonized sales tax and other taxes	9,364	8,269
Other accrued expenses	380	301
<b>Total liabilities (excluding net assets attributable to holders of redeemable units)</b>	<b>70,766</b>	<b>63,251</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>103,867,810</b>	<b>90,318,399</b>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A	177,762	55,938
Series F	103,690,048	90,262,461
<b>Units outstanding</b>		
Series A	17,587	6,180
Series F	12,889,252	12,718,560
<b>Net assets attributable to holders of redeemable units per unit</b>		
Series A	10.11	9.05
Series F	8.04	7.10

Approved by the Manager,



**Roger J. Beauchemin**  
President and  
Chief Executive Officer



**Janick Boudreau**  
Executive Vice-President,  
Business Development  
& Client Partnerships

## Statements of comprehensive income

Periods ended December 31	2023 \$	2022* \$
<b>Income</b>		
Interest for distribution purposes	358,810	133,012
Dividend income	1,868,857	1,518,509
Other income	—	26
Net other gain (loss)	(36,392)	(13,613)
Change in unrealized on foreign exchange gain (loss) on cash	(1,950)	(55)
<b>Other changes in fair value of investments and derivatives</b>		
Net realized gain (loss) on investments	(634,641)	(2,119,166)
Change in unrealized appreciation (depreciation)	12,838,965	(8,476,308)
<b>Total income (net)</b>	<b>14,393,649</b>	<b>(8,957,595)</b>
<b>Expenses (Note 8)</b>		
Management fees	484,453	342,614
Administration fees	184,728	136,648
Independent review committee fees	16,581	8,916
Registration and other filing fees	2,348	447
Trailer fees	1,159	—
Harmonized sales tax and other taxes	103,393	72,311
Tax liability	24,416	—
Commissions and other portfolio transaction costs	49,541	145,692
Withholding expenses	85,890	69,997
<b>Total expenses</b>	<b>952,509</b>	<b>776,625</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>13,441,140</b>	<b>(9,734,220)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	13,569	3,332
Series F	13,427,571	(9,737,552)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit</b>		
Series A	1.12	1.94
Series F	1.05	(0.79)
<b>Weighted average units outstanding for the period</b>		
Series A	12,090	1,719
Series F	12,801,797	12,339,206

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

## Addenda Global Diversified Equity Fund

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	90,318,399	—
Increase (decrease) in net assets attributable to holders of redeemable units	13,441,140	(9,734,220)
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,294,225)	(851,793)
Total distributions to holders of redeemable units	(1,294,225)	(851,793)
Redeemable unit transactions		
Amount received from the issuance of units	125,128	100,052,619
Amount received from reinvestment of distributions	1,294,225	851,793
Amount paid on redemptions of units	(16,857)	—
Net increase (decrease) from redeemable unit transactions	1,402,496	100,904,412
Net increase (decrease) in net assets attributable to holders of redeemable units	13,549,411	90,318,399
Net assets attributable to holders of redeemable units at end of period	103,867,810	90,318,399

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31 Series A	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	55,938	—
Increase (decrease) in net assets attributable to holders of redeemable units	13,569	3,332
Distributions paid or payable to holders of redeemable units		
From net investment income	(2,345)	(194)
Total distributions to holders of redeemable units	(2,345)	(194)
Redeemable unit transactions		
Amount received from the issuance of units	125,112	52,606
Amount received from reinvestment of distributions	2,345	194
Amount paid on redemptions of units	(16,857)	—
Net increase (decrease) from redeemable unit transactions	110,600	52,800
Net increase (decrease) in net assets attributable to holders of redeemable units	121,824	55,938
Net assets attributable to holders of redeemable units at end of period	177,762	55,938

### Statements of changes in net assets attributable to holders of redeemable units

Periods ended December 31 Series F	2023 \$	2022* \$
Net assets attributable to holders of redeemable units at beginning of period	90,262,461	—
Increase (decrease) in net assets attributable to holders of redeemable units	13,427,571	(9,737,552)
Distributions paid or payable to holders of redeemable units		
From net investment income	(1,291,880)	(851,599)
Total distributions to holders of redeemable units	(1,291,880)	(851,599)
Redeemable unit transactions		
Amount received from the issuance of units	16	100,000,013
Amount received from reinvestment of distributions	1,291,880	851,599
Net increase (decrease) from redeemable unit transactions	1,291,896	100,851,612
Net increase (decrease) in net assets attributable to holders of redeemable units	13,427,587	90,262,461
Net assets attributable to holders of redeemable units at end of period	103,690,048	90,262,461

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

# Addenda Global Diversified Equity Fund

## Statements of cash flows

Periods ended December 31	2023 \$	2022* \$
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	13,441,140	(9,734,220)
Adjustments for:		
Change in unrealized on foreign exchange (gain) loss on cash	1,950	55
Net realized (gain) loss on sale of investments	634,641	2,119,166
Net change in unrealized (appreciation) depreciation of investments and derivatives	(12,838,965)	8,476,308
Change in interest accrual on discount notes and Treasury bills	23,601	(30,907)
Purchase of investments	(57,658,897)	(134,699,379)
Proceeds from the sale of investments	56,593,236	33,919,537
Interest receivable	22,414	(22,414)
Dividends receivable	(51,253)	(107,992)
Other liabilities	7,515	63,251
<b>Net cash from operating activities</b>	<b>175,382</b>	<b>(100,016,595)</b>
<b>Cash flows from financing activities</b>		
Amount received from the issuance of units	124,918	100,052,619
Amount paid on redemptions of units	(16,857)	—
<b>Net cash used in financing activities</b>	<b>108,061</b>	<b>100,052,619</b>
Change in unrealized on foreign exchange gain (loss) on cash	(1,950)	(55)
Increase (decrease) in cash during the period	283,443	36,024
Cash at beginning of period	35,969	—
<b>Cash at end of period</b>	<b>317,462</b>	<b>35,969</b>
<b>Supplemental information on cash flows from (used in) Operating Activities</b>		
Interest received	404,825	79,691
Dividends received, net of withholding taxes	1,731,714	1,340,520

\*For the period from March 28, 2022 (beginning of operations) to December 31, 2022.  
The accompanying notes are an integral part of the financial statements.

# Addenda Global Diversified Equity Fund

## Schedule of investment portfolio as at December 31, 2023

	Number of shares	Cost \$	Fair value \$		Number of shares	Cost \$	Fair value \$
<b>EQUITIES (97.6%)</b>				<b>Japan (5.2%)</b>			
<b>Common Equities (97.6%)</b>				Air Water Inc.			
<b>Canada (40.9%)</b>				Daifuku Co. Ltd.			
Air Canada	9,950	236,911	185,966	Hoya Corp.	5,000	687,779	824,242
Bank of Montreal	15,960	1,930,270	2,092,516	Nidec Corp.	21,500	1,593,332	1,145,217
Bank of Nova Scotia	19,920	1,773,012	1,284,840	Nippon Sanso Holdings Corp.	25,500	637,039	900,591
Barrick Gold Corp.	17,820	415,332	426,611	Terumo Corp.	27,700	1,077,427	1,197,472
BCE Inc.	7,700	427,217	401,709			5,200,220	5,349,989
Brookfield Asset Management Ltd.				<b>Netherlands (1.2%)</b>			
Class A	9,237	480,938	491,593	Heineken NV	9,514	1,185,542	1,274,106
Brookfield Corp., Class A	45,630	2,652,508	2,425,235			1,185,542	1,274,106
Cameco Corp.	14,640	562,498	836,383	<b>Spain (1.4%)</b>			
Canadian National Railway Co.	11,090	1,866,917	1,847,039	Grifols SA, Class A	66,510	1,381,315	1,497,248
Canadian Natural Resources Ltd.	27,030	2,106,830	2,346,474			1,381,315	1,497,248
Canadian Pacific Kansas City Ltd.	18,340	1,887,711	1,922,766	<b>Switzerland (3.4%)</b>			
CCL Industries Inc., Class B	14,006	798,024	834,618	Coca-Cola HBC AG	38,507	1,171,184	1,491,989
CGI Inc., Class A	14,120	1,492,015	2,004,334	DSM-Firmenich AG	3,693	612,189	494,886
Colliers International Group Inc.	2,170	282,583	363,692	Nestlé SA, Registered	6,300	1,005,776	962,435
Dollarama Inc.	19,810	1,422,176	1,891,657	Sika AG, Registered	1,408	423,591	603,752
Enbridge Inc.	39,630	2,232,655	1,890,351			3,212,740	3,553,062
Franco-Nevada Corp.	1,514	294,407	222,210	<b>United Kingdom (4.8%)</b>			
iA Financial Corp. Inc.	5,200	404,522	469,716	Diageo PLC	12,695	778,662	609,461
Kinaxis Inc.	1,750	284,927	260,243	Experian PLC	33,093	1,656,024	1,781,200
Loblaw Cos. Ltd.	11,590	1,304,019	1,486,765	Linde PLC	651	282,784	352,557
Magna International Inc.	4,085	338,143	319,814	Prudential PLC	41,656	749,572	621,232
Manulife Financial Corp.	31,690	852,491	927,883	RELX PLC	30,912	1,297,745	1,616,005
Nutrien Ltd.	10,430	1,268,282	778,599			4,764,787	4,980,455
Open Text Corp.	28,870	1,565,416	1,607,770	<b>United States (28.6%)</b>			
Quebecor Inc., Class B				Adobe Inc.	1,140	637,408	896,812
Subordinate Voting Shares	17,700	548,155	557,904	Akamai Technologies Inc.	3,855	573,169	601,597
Restaurant Brands International Inc.	9,160	822,035	948,335	Alphabet Inc., Class C	7,709	1,342,275	1,432,566
Rogers Communications Inc., Class B	16,250	1,103,874	1,007,987	Amphenol Corp., Class A	4,100	397,515	535,923
Royal Bank of Canada	16,840	2,344,887	2,256,560	Apple Inc.	7,932	1,778,022	2,013,697
Shopify Inc., Class A	17,795	1,497,963	1,835,732	Ball Corp.	7,523	636,215	570,588
Suncor Energy Inc.	14,970	605,503	635,477	Becton, Dickinson and Co.	1,063	359,137	341,770
TC Energy Corp.	23,920	1,620,696	1,238,099	Booking Holdings Inc.	166	512,751	776,442
Teck Resources Ltd., Class B	10,410	575,740	583,064	Broadcom Inc.	1,501	1,354,684	2,209,303
Toronto-Dominion Bank	32,410	3,236,389	2,774,944	Broadridge Financial Solutions Inc.	2,091	405,001	567,292
Tourmaline Oil Corp.	7,710	512,537	459,439	Charles Schwab Corp.	8,086	851,960	733,559
Wheaton Precious Metals Corp.	26,660	1,577,911	1,742,764	Church & Dwight Co. Inc.	3,036	379,727	379,549
WSP Global Inc.	6,450	1,084,999	1,198,023	Costco Wholesale Corp.	1,021	728,703	888,660
		42,410,493	42,557,112	CVS Health Corp.	5,433	682,450	565,666
<b>France (7.0%)</b>				Danaher Corp.	1,591	517,432	485,326
Capgemini SE	6,144	1,694,397	1,689,180	F5 Inc.	1,390	357,557	328,044
EssilorLuxottica	6,449	1,559,168	1,705,870	Fiserv Inc.	3,400	440,558	595,554
LVMH Moët Hennessy Louis Vuitton SE	1,430	1,374,663	1,528,035	Fortive Corp.	4,873	379,166	473,112
Schneider Electric SE	7,082	1,567,404	1,875,166	Global Payments Inc.	3,391	561,748	567,864
Worldline SA	20,960	1,019,849	478,408	Honeywell International Inc.	2,466	610,138	681,907
		7,215,481	7,276,659	Intuit Inc.	919	555,559	757,407
<b>Germany (4.1%)</b>				IQVIA Holdings Inc.	2,202	586,630	671,825
Adidas AG	3,240	907,241	869,117	Johnson & Johnson	1,575	350,643	325,517
Fresenius SE & Co. KGaA	28,468	1,271,903	1,163,957	JPMorgan Chase & Co.	3,357	593,711	752,955
SAP SE	7,191	1,124,867	1,460,962	Lowe's Cos. Inc.	1,998	549,454	586,322
Symrise AG	4,985	712,396	723,497	Microsoft Corp.	4,307	1,701,237	2,135,610
		4,016,407	4,217,533	Middleby Corp.	2,674	463,163	518,912
<b>Ireland (1.0%)</b>				Mondelez International Inc., Class A	5,113	414,092	488,323
Kerry Group PLC, Class A	8,656	1,155,622	991,766	Moody's Corp.	544	231,366	280,156
		1,155,622	991,766	Nike Inc., Class B	4,088	712,552	585,240
				PepsiCo Inc.	2,087	443,764	467,386
				PNC Financial Services Group Inc.	1,906	463,279	389,177
				ResMed Inc.	2,479	508,635	562,301
				Stryker Corp.	1,007	344,252	397,632

# Addenda Global Diversified Equity Fund

## Schedule of investment portfolio (continued) as at December 31, 2023

	Number of shares	Cost \$	Fair value \$
<b>United States (continued)</b>			
Thermo Fisher Scientific Inc.	1,181	876,743	826,581
TJX Cos. Inc.	7,358	593,174	910,169
Union Pacific Corp.	1,167	399,884	377,962
United Parcel Service Inc., Class B	1,675	466,668	347,267
UnitedHealth Group Inc.	1,321	853,909	917,043
Visa Inc., Class A	2,757	787,692	946,471
Walt Disney Co.	3,765	597,159	448,247
Warner Bros. Discovery Inc.	21,214	569,426	318,330
		26,568,608	29,655,064
<b>Total Common Equities</b>		97,111,215	101,352,994
<b>TOTAL EQUITIES</b>		97,111,215	101,352,994
	Par value \$	Cost \$	Fair value \$
<b>BONDS (0.0%)</b>			
<b>Corporates (0.0%)</b>			
Grand Renewable Solar L.P. Series 1A, 3.926%, 2035-01-31	1	1	1
<b>TOTAL BONDS</b>		1	1
<b>MONEY MARKET SECURITIES (2.0%)</b>			
<b>Government of Canada (1.8%)</b>			
Canada Treasury Bills			
2024-02-29	500,000	493,326	495,982
2024-03-14	420,000	413,971	415,838
2024-03-28	950,000	937,316	938,740
		1,844,613	1,850,560
<b>Provincial governments and Crown corporations (0.2%)</b>			
Province of Quebec Discount Notes			
2024-02-23	260,000	256,745	258,104
		256,745	258,104
<b>TOTAL MONEY MARKET SECURITIES</b>		2,101,358	2,108,664
Portfolio transaction costs included in securities cost		(120,878)	—
<b>TOTAL INVESTMENTS IN NON-DERIVATIVE FINANCIAL ASSETS (99.6%)</b>		99,091,696	103,461,659
<b>OTHER NET ASSETS (0.4%)</b>			406,151
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (100%)</b>			103,867,810



# Addenda Global Diversified Equity Fund

## Financial instrument disclosures for the periods ended December 31, 2023 and 2022

The investment objective of this Fund is to achieve long-term capital growth by investing primarily in a diversified portfolio of domestic and foreign equity securities, Canadian preferred share securities, and to a lesser extent, fixed income and money market instruments and/or cash equivalents through a sustainable investment approach. Such investments may be made by the Fund either directly or indirectly through investments in other mutual funds, including ETFs.

### Financial instruments risks

(For a description of the various risks, refer to Note 5.)

#### Credit risk

As at December 31, 2023 and 2022, the Fund invested in debt instruments, whose credit ratings are provided by DBRS, Moody's or S&P or an equivalent credit rating agency. In the event of one or more ratings differing from the others, the majority rating will prevail, or, in the event of more than two ratings differing, the median rating shall prevail. In the event that there are only two ratings available, the more conservative rating will prevail. The credit rating is then converted to DBRS format.

Debt instruments by credit rating	Net assets attributable to holders of redeemable units as at December 31, 2023 (%)	Net assets attributable to holders of redeemable units as at December 31, 2022 (%)
AAA	—	2.4
AA	—	1.9

As at December 31, 2023 and 2022, the Fund invested in short-term financial instruments with the following credit ratings from DBRS:

Short-term financial instruments by credit rating	Net assets attributable to holders of redeemable units as at December 31, 2023 (%)	Net assets attributable to holders of redeemable units as at December 31, 2022 (%)
R1-high	1.8	5.2
R1-mid	0.2	—

According to the Fund's investment policy, short-term instruments must have a minimum credit rating of R1-low at the time of purchase; other fixed-income securities must have a minimum credit rating of BB-low at the time of purchase.

For Canadian bonds, the Fund's maximum holding, calculated on the Fund's Canadian bonds total fair value at the time of purchase, in securities of a given issuer shall not exceed 10% when the issuer has a credit rating greater than BBB-high, 5% when the issuer has a credit rating lower than A-low and greater than BB-high, and 2% when the issuer has a credit rating lower than BBB-low. Notwithstanding the foregoing, where the weight of an issuer within the Reference Index exceeds the limits defined above, the Fund may hold a position in the issuer's securities that is equal to, but no higher than, the issuer's weight within the FTSE Canada Universe Index, up to 10%. The limits do not apply to securities issued or guaranteed by the Government of Canada, its agencies and Crown corporations, by a supranational body, by any province of Canada, its agencies and Crown Corporations, by foreign governments and any commingled investment vehicle. Derivative products can be used for hedging credit exposure.

Futures contracts, forward contracts, swaps, options, buy/sell back transactions, sell/buy back transactions and other derivatives transactions must be initiated with a bank rated at least A-low at the time of the initial transaction, or its broker-dealer affiliates, or negotiated on a recognized exchange.

#### Liquidity risk

The Fund is exposed to liquidity risk because of daily cash redemptions of units. It therefore invests the majority of its assets in liquid investments that can be readily disposed of. Also, the Fund retains enough positions in cash and short-term financial instruments to maintain the level of liquidity required. The Fund is therefore not exposed to significant liquidity risk.

According to the Fund's investment policy, no more than 10% of the total fair value of the financial instruments can be invested in illiquid investments.

#### Currency risk

The Fund's exposure to foreign currencies is as follows:

Currency	Non-monetary (\$'000)	Monetary (\$'000)	Net exposure (\$'000)	Net assets attributable to holders of redeemable units (%)
Euro	15,752	36	15,788	15.2
Pound Sterling	6,120	—	6,120	5.9
Japanese Yen	5,350	—	5,350	5.2
Swiss Franc	1,566	10	1,576	1.5
U.S. Dollar	30,008	251	30,259	29.1

**Impact on net assets attributable to holders of redeemable units (\$'000)** **591**

Currency	Non-monetary (\$'000)	Monetary (\$'000)	Net exposure (\$'000)	Net assets attributable to holders of redeemable units (%)
Euro	11,508	17	11,525	12.8
Pound Sterling	5,169	—	5,169	5.7
Japanese Yen	2,503	—	2,503	2.8
Swiss Franc	1,126	4	1,130	1.3
U.S. Dollar	24,658	30	24,688	27.3

**Impact on net assets attributable to holders of redeemable units (\$'000)** **450**

As at December 31, 2023 and 2022, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively, according to the amounts indicated in the table. In practice, the actual results may differ from this sensitivity analysis and the differences could be material.

According to the Fund's investment policy, no more than 70% of the total fair value of the financial instruments can be invested in foreign securities. Derivative products can be used for hedging currency exposure.

# Addenda Global Diversified Equity Fund

## Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

### Financial instruments risks (continued)

#### Interest rate risk

As at December 31, 2023 and 2022, the Fund is exposed to interest rate risk due to its investments in debt instruments.

The Fund's exposure to debt instruments by maturity date is as follows:

Debt instruments by maturity date	As at December 31, 2023 (\$'000)	As at December 31, 2022 (\$'000)
Less than 1 year	2,109	4,889
5 – 10 years	–	2,595
More than 10 years	–	1,090
<b>Impact on net assets attributable to holders of redeemable units (\$'000)</b>	<b>1</b>	<b>97</b>

This table summarizes the Fund's direct exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value which are exposed to interest rate risk, categorized by the earlier of contractual re-pricing or maturity dates.

As at December 31, 2023 and 2022, an increase or decrease in the interest rates of 0.25%, with all other variables held constant, would have decreased or increased net assets attributable to holders of redeemable units, respectively, according to the amounts indicated in the table. In practice, actual results may differ from this sensitivity analysis and the differences could be material.

#### Price risk

As at December 31, 2023 and 2022, the impact on the net assets attributable to holders of redeemable units of an increase or decrease in the reference index of 1%, established according to the historical correlation between the return of the Fund and that of the index, with all other variables held constant, is as follows:

Reference index	Impact on net assets attributable to holders of redeemable units as at December 31, 2023 (\$'000)	Impact on net assets attributable to holders of redeemable units as at December 31, 2022* (\$'000)
• 40% S&P/TSX Composite		
• 30% S&P 500, expressed in Canadian dollars		
• 30% MSCI EAFE Net, expressed in Canadian dollars	1,001	N/A

\* As at December 31, 2022, the impact on the net assets attributable to holders of redeemable units of an increase or decrease in the reference index of 1% cannot be established according to the historical correlation between the return of the Fund and that of the reference index, due to the short period since beginning of operations on March 28, 2022.

In practice, actual results may differ from this sensitivity analysis and the differences could be material.

### Concentration risk

The following table is a summary of the Fund's concentration risk:

	December 31, 2023 (%)	December 31, 2022 (%)
<b>EQUITIES</b>		
<b>Preferred Equities</b>		
Energy	–	0.3
Financials	–	0.9
Utilities	–	0.4
<b>Total Preferred Equities</b>	<b>–</b>	<b>1.6</b>
<b>Common Equities</b>		
<i>By Country</i>		
Canada	40.9	39.0
France	7.0	6.3
Germany	4.1	2.5
Ireland	1.0	0.8
Japan	5.2	2.8
Netherlands	1.2	1.1
Spain	1.4	0.8
Switzerland	3.4	2.2
United Kingdom	4.8	6.2
United States	28.6	27.1
	<b>97.6</b>	<b>88.8</b>
<i>By Sector</i>		
Communication Services	4.0	3.4
Consumer Discretionary	8.1	7.4
Consumer Staples	8.7	8.2
Energy	7.1	7.3
Financials	17.4	15.9
Health Care	11.1	9.6
Industrials	14.7	14.2
Information Technology	17.6	16.3
Materials	8.5	6.3
Real Estate	0.4	0.2
	<b>97.6</b>	<b>88.8</b>
<b>Total Common Equities</b>	<b>97.6</b>	<b>88.8</b>
<b>TOTAL EQUITIES</b>	<b>97.6</b>	<b>90.4</b>
<b>BONDS</b>		
Government of Canada	–	2.4
Provincial governments and Crown corporations	–	1.9
<b>Total Canadian issuers</b>	<b>–</b>	<b>4.3</b>
<b>MONEY MARKET SECURITIES</b>		
Government of Canada	1.8	5.2
Provincial governments and Crown corporations	0.2	–
<b>TOTAL MONEY MARKET SECURITIES</b>	<b>2.0</b>	<b>5.2</b>
<b>TOTAL INVESTMENTS IN NON-DERIVATIVE FINANCIAL ASSETS</b>	<b>99.6</b>	<b>99.9</b>
<b>OTHER NET ASSETS</b>	<b>0.4</b>	<b>0.1</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>100.0</b>	<b>100.0</b>

# Addenda Global Diversified Equity Fund

## Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

### Fair value measurement

(For a description of the financial instruments classification, refer to Note 6.)

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value as at December 31, 2023 and 2022:

As at December 31, 2023	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)	As at December 31, 2022	Level 1 (\$'000)	Level 2 (\$'000)	Level 3 (\$'000)	Total (\$'000)
<b>Financial assets</b>					<b>Financial assets</b>				
Equities	101,353	—	—	101,353	Equities	81,530	111	—	81,641
Money market	—	2,109	—	2,109	Bonds	—	3,849	—	3,849
<b>Total</b>	<b>101,353</b>	<b>2,109</b>	<b>—</b>	<b>103,462</b>	Money market	—	4,725	—	4,725
					<b>Total</b>	<b>81,530</b>	<b>8,685</b>	<b>—</b>	<b>90,215</b>

### Transfers between levels

There were no securities transferred between levels during the periods ended December 31, 2023 and 2022.

### Redeemable units

(Refer to Note 7.)

For the periods ended December 31, 2023 and 2022, the number of units issued, redeemed, and outstanding was as follows:

		Units outstanding beginning of period	Units issued	Reinvested units	Redeemed units	Units outstanding end of period
Series A	2023	6,180	12,952	251	1,796	17,587
	2022	—	6,159	21	—	6,180
Series F	2023	12,718,560	—	170,692	—	12,889,252
	2022	—	12,598,015	120,545	—	12,718,560

### Management fees and administration fees

(Refer to Note 8.)

Management fees and administration fees of each series of the Fund are payable to the Manager and calculated at the following annual percentages, before GST/HST/QST, of the daily NAV of each series of the Fund.

	Management Fees (%)	Administration Fees (%)
Series A	1.50	0.20
Series F	0.50	0.20

### Related party transactions

(Refer to Note 9.)

As at December 31, 2023 and 2022, the Manager held units of the Fund as follows:

	December 31, 2023		December 31, 2022	
	Fair value of units held (\$)	Ownership of Fund units (%)	Fair value of units held (\$)	Ownership of Fund units (%)
Series A	10	—	9	—
Series F	8	—	7	—

Related party transactions of the Manager with the Fund during the periods ended December 31, 2023 and 2022, are as follows:

	Purchased units (\$)	Redeemed units (\$)	Income distribution (\$)	Gain distribution (return on capital) (\$)	Reinvested units (\$)
Series A	2023	—	—	—	—
	2022	10	—	—	—
Series F	2023	—	—	—	—
	2022	10	—	—	—

# Addenda Global Diversified Equity Fund

Financial instrument disclosures (continued) for the periods ended December 31, 2023 and 2022

## Related party transactions (continued)

Other related party transactions presented in the financial statements incurred by the Fund with the Manager are as follows:

	December 31, 2023 (\$)	December 31, 2022 (\$)
Accrued management fees	43,587	39,058
Management fees	484,453	342,614
Accrued administration fees	17,435	15,623
Administration fees	184,728	136,648

As at December 31, 2023 and 2022, associated entities under common control or common significant influence (the “Co-operators group of entities”) held units of the Fund as follows:

	December 31, 2023		December 31, 2022	
	Fair value of units held (\$)	Ownership of Fund units (%)	Fair value of units held (\$)	Ownership of Fund units (%)
Series F	103,694,020	100.0	90,263,610	99.9

Related party transactions of the Co-operators group of entities with the Fund during the periods ended December 31, 2023 and 2022, are as follows:

		Purchased units	Redeemed units	Income distribution	Gain distribution	Reinvested units
		(\$)	(\$)	(\$)	(return on capital) (\$)	(\$)
Series F	2023	—	—	1,291,895	—	1,291,895
	2022	99,999,990	—	851,613	—	851,613

## Taxes

(Refer to Note 3.)

Capital and non-capital losses determined for tax purposes as at December 31, 2023, which is the fiscal year-end, are as follows:

Capital losses		Non-capital losses	
Amount (\$)	Amount (\$)	Expiration	
2,653,237	—	—	

# Notes to Financial Statements

Year ended December 31, 2023

## 1. General information

The Addenda Funds (the “Funds”) are open-ended perpetual private funds established under the laws of Québec, and governed by the trust agreements dated as follows:

Addenda Income Focus Fund*	March 21, 2022
Addenda Global Balanced Fund*	March 21, 2022
Addenda Global Diversified Equity Fund*	March 21, 2022

\*Beginning of operations on March 28, 2022

The information provided in these financial statements and notes thereto is as at December 31, 2023 and 2022, as applicable, and for the twelve-month periods ended December 31, 2023 and 2022, as applicable. For those Funds established in 2022, the “period” represents the period from the beginning of operations, as indicated above, to December 31 of that fiscal year.

The trust agreements appoint CIBC Mellon Trust Company as Trustee and Addenda Capital Inc. (“Addenda”) as Manager of the Funds. Addenda is 96.55% owned by Co-operators Financial Services Limited, which in turn is owned 100% by The Co-operators Group Limited.

The address of the Funds’ registered office is 800 René-Lévesque Blvd. West, Suite 2750, Montréal, Québec H3B 1X9.

The financial statements are presented in Canadian dollars. These financial statements were authorized for issue by Addenda Capital Inc., the Manager, on March 27, 2024.

## 2. Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value.

## 3. Material accounting policies

### Classification and Measurement of Financial Assets, Liabilities and Derivatives

The Funds classify their investment and derivative portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets, liabilities and derivatives is managed and performance is evaluated on a fair value basis. The contractual cash flows of certain of the Funds’ debt securities are principal and interest; however, these securities are neither held for the purpose of collecting contractual cash flows nor for sale. The collection of contractual cash flows is only incidental to achieving the Funds’ business model objectives. Consequently, all investments and derivative contracts are measured at FVTPL.

The Funds’ obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

The following table presents the classification and measurement of the Funds’ financial instruments by category:

Assets	Classification
Investments in non-derivative financial assets	FVTPL
Cash	Amortized cost
Margin	Amortized cost
Receivable for investments sold	Amortized cost
Subscriptions receivable	Amortized cost
Interest receivable	Amortized cost
Dividends receivable	Amortized cost
Derivative assets	FVTPL
Liabilities	Classification
Investments in non-derivative financial liabilities	FVTPL
Bank overdraft	Amortized cost
Margin	Amortized cost
Payable for investments purchased	Amortized cost
Redemptions payable	Amortized cost
Accrued management fees	Amortized cost
Other accrued expenses	Amortized cost
Accrued interest payable	Amortized cost
Distributions payable to holders of redeemable units	Amortized cost
Derivative liabilities	FVTPL
Net assets attributable to holders of redeemable units	Amortized cost

### Offsetting

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets, such as publicly traded derivatives and marketable securities, are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s bid-ask spread. In cases where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. Investments include equities, listed derivatives, bonds, asset-backed securities and other debt instruments.

The fair value of financial assets and liabilities that are not traded in an active market, including commercial mortgages and over-the-counter derivatives, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques include reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Investments in other pooled funds are valued at the net asset value per unit reported by each pooled fund. Refer to Note 6 for further information about the Funds’ fair value measurements.

# Notes to Financial Statements (continued)

Year ended December 31, 2023

## 3. Material accounting policies (continued)

### Investment income

Investment transactions are recorded on the trade date. Interest for distribution purposes from investments in bonds and short-term investments represents the coupon interest received by the Funds accounted for on an accrual basis, dividend income is recognized on the ex-dividend date, and distributions from investment funds are recorded on the distribution date. The cost of investments is determined using the average cost method. Realized gains and losses from investment transactions are calculated on a weighted average cost basis. Average cost does not include amortization of premiums or discounts on fixed-income securities with the exception of zero coupon bonds. Income, realized gains (losses) and unrealized gains (losses) are allocated among the series on a pro-rata basis.

The Funds generally incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the statements of comprehensive income.

### Transaction costs

Transaction costs are expensed and are included in “Commissions and other portfolio transaction costs” in the statements of comprehensive income for financial instruments at FVTPL. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

There are no soft dollar commissions in the Funds.

### Foreign currency translation

A Fund's subscriptions and redemptions are denominated in Canadian dollars, the Funds' functional and presentation currency. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates the transactions occur. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency using the exchange rate prevailing at the measurement date.

Foreign currency denominated investments and derivatives are translated into the functional currency at the prevailing exchange rate on each valuation date with related unrealized foreign exchange gains or losses included in the statements of comprehensive income under “Change in unrealized appreciation (depreciation)”.

Foreign exchange gains and losses relating to cash and those relating to other financial assets and liabilities are represented within “Other net gain (loss)” in the statements of comprehensive income. The change in unrealized on foreign exchange gains and losses on cash are included in the statements of comprehensive income under “Change in unrealized on foreign exchange gain (loss) on cash”.

### Cash

Cash is comprised of deposits with financial institutions.

### Derivative financial instruments

Certain Funds may use foreign currency forward contracts, foreign currency futures contracts, interest rate futures contracts, bond futures contracts and options, either to hedge exchange risk relating to assets and liabilities in the statements of financial position or implement active management for the Canadian and international markets. The fair value of these contracts corresponds to the gain or loss that would result from the transfer on the valuation date. This value is recorded in “Derivative assets” and “Derivative liabilities” in the statements of financial position.

Gains and losses realized when derivative financial instruments are transferred or expire are recorded in the “Net realized gain (loss) on derivatives” in the statements of comprehensive income. The change in fair value of derivative instruments that are pending settlement is recorded in the “Change in unrealized appreciation (depreciation)” in the statements of comprehensive income.

The futures contracts are guaranteed by margin deposits on futures contracts which include cash or securities. The Funds have sufficient margin deposits to cover their full obligations with regard to these contracts.

### Investments entities and structured entities

An investment entity is an entity that obtains funds from one or more investors for the purpose of providing them with investment management services, its business purpose is to invest funds solely for returns from capital appreciation, income, or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis. The Funds have determined that they are investment entities and as such, they account for investments in other funds, including exchange-traded funds, (“Investee Funds”) at fair value. See Note 10.

The change in fair value of each Investee Fund is included in the “Change in unrealized appreciation (depreciation)” in the statements of comprehensive income. These investments are included in “Investments in non-derivative financial assets” in the statements of financial position.

### Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit, presented in the statements of comprehensive income, is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding (of that series where applicable) during the period.

### Classification of redeemable units issued by the Funds

The Funds' units do not meet the criteria in IAS 32 for classification as equity instruments as the units issued for each series have different features or unitholders can ask for the mandatory distribution of taxable income to be made in cash or in another financial asset. Therefore, Funds' units have been classified as financial liabilities.

### Securities lending activities

Certain Funds may enter into securities lending through the securities lending program of the Funds' custodian, CIBC Mellon Trust Company (“CIBC Mellon”) and its securities lending agent Bank of New York Mellon (“BNY Mellon”) in order to earn additional income.

The securities loaned are not derecognized in the statements of financial position as substantially all the risks and rewards of ownership of these securities are retained.

# Notes to Financial Statements (continued)

Year ended December 31, 2023

## 3. Material accounting policies (continued)

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, with an approved credit rating of at least A, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day's securities loaned. Securities received in collateral are not recognized in the statements of financial position as substantially all the risk and rewards of ownership of these securities have not been transferred to the Funds.

Revenue generated through CIBC Mellon's securities lending program is shared by the Funds and BNY Mellon at the rate presented in the section "Securities lending activities" of each Fund. This revenue is included in "Revenue from securities lending activities" in the statements of comprehensive income.

### Income taxes

Under the *Income Tax Act* (Canada) (the "Act"), all the Funds are defined as unit trusts.

The Funds are subject to tax on their net income, including net taxable realized capital gains for the fiscal year that are not paid or payable to their unitholders as at the end of the fiscal year. As per the Trust Agreement, the Funds will automatically distribute to the unitholders all their income and net taxable capital gains so that no income will be subject to tax in the Funds. As a result, the Funds do not record income taxes. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the statements of financial position as a deferred income tax asset and, accordingly, no provision for income taxes is recorded.

Capital losses can be carried forward indefinitely to reduce future capital gains. Non-capital losses may be carried forward 20 years to reduce future investment income and capital gains. To know the amounts of capital and non-capital losses determined for tax purposes, please refer to the section "Taxes" of each Fund.

## 4. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements.

### Fair value measurement of derivatives and securities not quoted in an active market

The Funds hold financial instruments that are not quoted in active markets, including commercial mortgages and over-the-counter derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager, independent of the party that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatility and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds

consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See Note 6 for more information on the Funds' fair value measurements.

### Classification and measurement of investments and application of the fair value option

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in determining the most appropriate classification under IFRS 9. The Manager has evaluated the Fund's business model and determined that all investment assets and liabilities are managed as a group to achieve overall performance evaluated on a fair value basis, and as such concluded that those assets and liabilities must be measured and classified under IFRS 9 as fair value through profit or loss (FVTPL).

## 5. Financial instruments risk

### Risk factors

The Funds' activities expose them to a variety of financial risks, among which are credit risk, liquidity risk, market risk (including currency risk, interest rate risk and price risk), and concentration risk. Each Fund's exposure depends on the investment objective of the Fund and the nature of permitted investments.

The Funds' overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Funds' rate of return. The Manager has established a risk management process to monitor, evaluate and minimize the main risks inherent in carrying out its activities. The Manager ensures that the different risks related to financial markets are monitored by rigorous internal controls.

For bond mandates, the holdings of the Funds are monitored daily by the management team with the use of an internal system developed by management and specifically designed for fixed-income management and its risk control. This system allows for the monitoring of the Funds' portfolios and the simulation of trades. The output generated by these simulations includes, among others, the impact on cash, modified duration and sector/issuer allocation of the Funds.

For equity mandates, the holdings of the Funds are monitored daily by the equity portfolio management team with the use of a number of internal systems developed and designed for management of equity specific mandates. These systems allow for the monitoring of the Funds' portfolios relative to their appropriate benchmark and relative to all equity mandates managed by the Manager.

For each Fund, the holdings, issuers, credit rating, issues, and foreign currency exposures are monitored daily against the Funds' investment policies and reference indices by the compliance team.

In addition, the Manager has access to several tools and external systems to quantify and manage the risk related to financial markets. Market risk is the most important. Quantitative and qualitative measures are used to limit the risks inherent to the Funds.

### Credit risk

Credit risk is the risk that the counterparty to a financial instrument fails to fulfil an obligation and leads the other party to suffer a financial loss.

The Funds are exposed to credit risk when investing in debt instruments.

# Notes to Financial Statements (continued)

Year ended December 31, 2023

## 5. Financial instruments risk (continued)

All transactions are done through approved brokers. The risk of default is considered minimal as securities sold are delivered only once the broker has made payment, whereas payment on a purchase is made to the broker only once the securities have been delivered. The trade will fail if either party defaults on its obligation.

### Liquidity risk

Liquidity risk is the risk that a Fund may not be able to settle or meet its obligation on time or at a reasonable price.

The Funds are exposed to liquidity risk because of cash redemptions of units. Units are redeemable on demand at the holder's option. However, the Manager does not expect that this contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period. All other financial liabilities of the Funds are payable within three months.

### Market Risk

#### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Funds are exposed to the currency risk in holding assets and/or liabilities denominated in currencies other than the Funds' functional currency, as the value of the investments denominated in other currencies will fluctuate in accordance with the applicable exchange rates in effect. When the Canadian dollar, the functional and reporting currency of the Funds, decreases in relation to the foreign currencies, then the value of foreign investments increases. When the value of the Canadian dollar increases, the value of foreign investments decreases.

The Funds' exposure to currency risk is shown based on the carrying value of monetary (including derivatives and the notional amount of forward currency contracts, if any) and non-monetary assets. Equity instruments are classified according to the currency in which they were purchased.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk occurs when the Funds invest in interest-bearing financial instruments and derivatives with interest rate underlying instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in market interest rates. Generally, the value of these instruments increases if interest rates decrease and decreases if interest rates increase. The Funds also hold a limited amount of cash subject to variable interest rates which expose the Funds to cash flow interest rate risk. Changes in interest rates have little impact on cash and other assets and liabilities, which are short-term in nature and/or non-interest bearing.

#### Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Funds are exposed to market risk since their investments are exposed to the volatility of market factors and the risk of capital loss.

The market price risk is managed through diversification of the investment portfolio's exposure ratio, and careful selection of investments.

### Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

It is managed through diversification of the investment portfolio.

For further information regarding the specific risk exposure of each Fund, please refer to the section "Financial instruments disclosures—Financial instruments risks" of each Fund.

## 6. Fair value measurement

The Funds present their financial instruments at fair value according to a three-level hierarchy that reflects the significance of the inputs used to determine such fair value measurements. The fair value hierarchy consists of the three following levels:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., as derived from prices);
- Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

All fair value measurements are recurring. The carrying value of financial instruments measured at amortized cost approximates their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

### Bonds and short-term investments

Bonds and short-term instruments include primarily government and corporate bonds and Treasury bills and discount notes respectively, which are valued using models with inputs including interest rate curves, credit spreads and volatility. The inputs that are significant to valuation are generally observable and therefore the Funds' bonds and short-term investments have been classified as Level 2.

### Equities

The Funds' equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. It could happen that certain of the Funds' equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.



# Notes to Financial Statements (continued)

Year ended December 31, 2023

## 6. Fair value measurement (continued)

### Commercial mortgages

Commercial mortgages are recorded at the present value of discounted future cash flows. The discount rate is based on the equivalent Government of Canada rate (time to maturity) and an additional spread to compensate for a loan's particular risk (insured or conventional).

The Government of Canada rates are obtained from an independent external source at the bond market prevailing at 11:00 am Regina time. The bond rates are interpolated where necessary based on the yield. The Canada Treasury Bill rates are used for terms less or equal to one year.

The additional loan spread is that provided monthly in the CMLS Financial Commercial Mortgage Spread Matrix for mortgages of similar risk and term.

Due to the use of unobservable data and their limited liquidity, commercial mortgages are classified as Level 3.

### Investment funds

The Funds' position in units of other investment funds that are not exchange-traded funds are recorded at the net asset value per unit on each valuation date and have been classified as Level 2 as they are not considered quoted in an active market.

### Exchange-traded funds

Exchange-traded funds are classified as Level 1 when the security is actively traded and a reliable price is observable.

### Listed derivative assets and liabilities

The Funds' listed derivative assets and liabilities position, consisting of standardized and transferable exchange-traded contracts such as options and futures, are classified as Level 1 when the security is actively traded and a reliable price is observable, and is readily and regularly available from the exchange or market on which the corresponding security is principally traded.

### Foreign currency forward contracts

Foreign currency forward contracts are valued using foreign exchange spot rates adjusted with forward currency rates. The inputs that are significant to valuation are observable market data and therefore the Funds' foreign currency forward contracts have been classified as Level 2.

For further information regarding the classification of financial instruments measured at fair value of each Fund, please refer to the section "Fair Value Measurement" of each Fund.

## 7. Redeemable units

Each Fund can issue an unlimited number of units. Each unit has no par value and the net asset value per unit is calculated daily by dividing the net asset value by the number of units outstanding for all the Funds at the close of each business day. In accordance with their investment strategies and risk management policies, the Funds endeavour to invest their subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

For Funds with multiple series, the net asset value of a particular series is computed by calculating the value of that series' proportionate share of the assets and liabilities common to all series, less other liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged directly to that series. Income, realized and unrealized gains and losses from investment transactions and other expenses are allocated proportionately to each series based upon the relative net asset value of each series.

## 8. Expenses

### Management fees

The Manager receives, from each Fund, monthly management fees, before taxes, calculated on the net asset value of each class of units on each valuation date.

Certain Funds may invest in other underlying funds in order to achieve their investment objectives. There are fees payable by the underlying funds in addition to the fees payable by the investing Fund. No management fees or incentive fees are payable by the Fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service.

### Administration fees

The Manager pays all of Funds' operating expenses, excluding certain fees, in exchange for payment of the fixed-rate annual administration fees determined by the Funds (fixed administration fees) for each class of the Funds.

The fixed administration fee payable in respect of units of a Fund correspond to a specific percentage of the net asset value of the class, calculated and compounded daily and paid monthly.

### Operating expenses

Each Fund assumes certain operating expenses not covered by the Administration Fees, which can include taxes, including, without limitation, GST and PST or HST, capital taxes, income taxes and withholding taxes; bank charges, borrowing and interest; termination fees; regulatory filing fees; costs related to the Independent Review Committee (IRC) or other advisory committee fees and expenses; fees, costs and expenses relating to operating expenses that will be paid by the Manager beyond the usual course of business of the Funds; costs that may be imposed on the Funds to comply with newly adopted securities regulations; and costs associated with portfolio transactions, brokerage fees and other trading expenses, including but not limited to forward contracts, foreign exchange transaction, research and execution costs, as applicable and including any taxes applicable to such costs (the Portfolio Transaction Costs).

The Manager may in certain cases absorb a series' Management Fees, Administration Fees, Portfolio Transaction Costs or Operating Expenses. The decision to absorb the expenses, or a portion thereof, is reviewed annually and determined at the discretion of the Manager, without notice to Unitholders.

For more information regarding the management fees and other expenses each Fund incurs, please refer to the section "Management fees and administration fees" of each Fund.

# Notes to Financial Statements (continued)

Year ended December 31, 2023

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## 8. Expenses (continued)

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### Auditor fees

In compliance with the International Ethics Standards Board for Accountants' ("IESBA") Code of Ethics for Professional Accountants, the auditor is required to publicly disclose the audit and non-audit fees charged to public interest entities, including Addenda Capital Funds, on an annual basis.

For the year ended December 31, 2023, the following fees (excluding applicable taxes) were paid or payable to PricewaterhouseCoopers LLP and other PwC network firms: fees for audit of financial statements were \$63,065 and fees for other services were \$19,475.

## 9. Related party transactions

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The Manager ensures the daily administration of the Funds. It provides the Funds or makes sure they are provided with all services (accounting, custodial, portfolio management, record maintenance, transfer agent) required to function properly. The Funds pay management and administration fees to the Manager, which are calculated on a daily basis with the net asset value of the Funds and paid monthly at the annual rate specified under section "Management fees and administration fees" of each Fund.

In accordance with their investment objectives, certain associated entities under common control or common significant influence (the "Co-operators group of entities"), some of which have their investment portfolios actively managed by the Manager, may invest in the Funds.

The transactions between the Funds and related entities are traded at net asset value on the valuation date in the normal course of operations.

## 10. Interest in unconsolidated structured entities

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A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements.

The Funds have determined that all of their investments in other funds, including exchange-traded funds, ("Investee Funds") are investments in unconsolidated structured entities. The Funds invest in Investee Funds whose objectives range from maximizing interest income to achieving medium- to long-term capital growth. The Investee Funds apply various investment strategies to accomplish their respective investment objectives. The Investee Funds finance their operations by issuing redeemable shares which are puttable at the holder's option and entitle the holder to a proportional stake in the respective fund's net assets. The Funds hold redeemable shares in each of their Investee Funds.

Investments in asset-backed securities and mortgaged-backed securities, as disclosed in the fair value measurement section of the financial instrument disclosures of the specific notes of each fund, are also considered as unconsolidated structured entities.

The Funds' investment strategies may entail trading in other funds on a regular basis, and they intend to continue opportunistic trading in other funds.

For the year ended December 31, 2023, the Funds did not provide financial or other support to unconsolidated structured entities and have no intention of doing so.

