ADDENDA
CAPITAL

Annual Management Report of Fund Performance

ADDENDA GLOBAL DIVERSIFIED EQUITY FUND

December 31, 2023

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements of the fund, at your request, and at no cost, by calling toll-free 1 866 908-3488, by writing to us at 800 René-Lévesque Blvd. West, Suite 2800, Montréal, Québec H3B 1X9, by visiting our website at addendacapital.com, by visiting SEDAR+ at sedarplus.com or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Notes on Forward-looking Statements

This report may contain forward-looking statements concerning the Fund, its future performance, its strategies or prospects or about future events or circumstances. Such forward-looking statements include, among others, statements with respect to our beliefs, plans, expectations, estimates and intentions. The use of the expressions "foresee", "intend", "anticipate", "estimate", "assume", "believe" and "expect" and other similar terms and expressions indicate forward-looking statements. By their very nature, forward-looking statements imply the use of assumptions and necessarily involve inherent risks and uncertainties. Consequently, there is a significant risk that the explicit or implicit forecasts contained in these forward-looking statements might not materialize or that they may not prove to be accurate in the future. A number of factors could cause future results, conditions or events to differ materially from the objectives, expectations, estimates or intentions expressed in such forward-looking statements. Such differences might be caused by several factors, including changes in Canadian and worldwide economic and financial conditions (in particular interest and exchange rates and the prices of other financial instruments), market trends, new regulatory provisions, competition, changes in technology and the potential impact of conflicts and other international events. The foregoing list of factors is not exhaustive. Before making any investment decision, investors and others relying on our forward-looking statements should carefully consider the foregoing factors and other factors. We caution readers not to rely unduly on these forward-looking statements. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so provides.

Addenda Global Diversified Equity Fund

Management Discussion of Fund Performance

Investment Objective and Strategies

The Addenda Global Diversified Equity Fund's (the "Fund") investment objective 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.

To achieve the Fund's investment objective, the Manager uses strategic asset allocation as the principal investment strategy. The Fund has a target weighting of 0-20% in Fixed Income and Money Market, and a target weighting of 80-100% in Equity.

In addition, when selecting the majority of securities in which the Fund invests, the Manager will integrate environmental, social and governance (ESG) matters along with active stewardship, which covers engagement with issuers and proxy voting.

Risk

There were no significant changes to the investment objectives or strategies that affected the Fund's overall level of risk during the period. There were no changes to the Fund's risk rating during the reporting period. This Fund remains suitable for investors who are seeking long-term growth and who have a low to medium tolerance for risk.

Results of Operations

The decline in interest rates during the last quarter of 2023 and expectations of an extension of the business cycle led to positive returns across most major financial markets. The Global Diversified Equity Fund (Series A) returned 13.71% for the year while the benchmark index composed of 40% S&P/TSX Composite Index, 30% S&P 500 (CAD), and 30% MSCI EAFE Net (CAD), posted a 16.26% return. The fund underperformed the benchmark primarily due to a defensive asset mix with an allocation to cash and fixed income for the first three quarters of the year, and a below benchmark weight in equities overall. Canadian and US equity asset classes added value versus their respective benchmarks, although International equity performance lagged the benchmark on the year. Please refer to the "Past Performance" section for the returns by series, which may vary because of differences in management fees and expenses.

The Canadian Climate Transition equity allocation rose 13.4% during the year, outperforming its benchmark by 160 bps. In terms of allocation for the year, our positioning in Energy and Consumer Discretionary sectors was positive to relative performance while our positioning in Financials and Industrials detracted.

Within Canadian Equities, we added several new holdings to portfolios over the year to improve diversification. Each of these companies met our climate transition criteria and offered compelling valuations, relative to our Intrinsic Value estimates. Specifically, Franco-Nevada Corp., Barrick Gold Corp., Teck Resources, Kinaxis Inc. and Restaurant Brands International were introduced to the portfolio over the year. CAE Inc. and Gildan Activewear Inc. were removed. Positions in Shopify Inc. and Bank of Montreal were also significantly increased, while Nutrien Ltd., Toronto-Dominion Bank and Magna International were reduced.

The Climate Transition International Equity allocation returned 13.9% during the year, underperforming its benchmark by 119 bps. Stock selection in the Health Care sector contributed positively to overall performance along with Consumer Staples names. Holdings in the Financials sector detracted the most to overall performance.

Three new positions were initiated during the year while one holding was liquidated. DSM-Firmenich (Netherlands, Specialty Chemicals), Symrise (Germany, Specialty Chemicals) and Nippon Sanso (Japan, Basic & Diversified Chemicals) were added to the portfolio as they both meet the investment criteria of the fund and the climate transition criteria. All three offered compelling valuation opportunities to initiate a position. Linde (Germany, Basic & Diversified Chemicals) was sold out of the portfolio. Unfortunately, the company chose to delist their German listing and only keep their US listing. US stocks cannot be held in the Addenda Climate Transition International Equity Fund.

The US Equity allocation returned 24.0% during the year, outperforming its benchmark by 107 bps. Stock selection in the Consumer Staples sector contributed positively to overall performance along with Financials names. Holdings in the Consumer Discretionary sector detracted the most to overall performance.

Three positions were liquidated during the year. Hormel (Packaged Food), International Flavors & Fragrances (Specialty Chemicals) and Veralto (Pollution Control Equipment). Veralto was a spin-off from Danaher, the position was sold as it did not meet our investment criteria as a stand-alone entity. Hormel's and International Flavors & Fragrances' risk-return profiles deteriorated and no longer met our investment criteria. The proceeds from these three sales were redistributed across existing holdings.

Recent Developments

Central banks received welcome news on the economic front as inflation continued to trend down throughout the year and the labour market moved towards a better balance. The decline in interest rates during the last quarter of 2023 and expectations of an extension of the business cycle led to positive returns across most major financial markets.

Economic growth is expected to slow in 2024 but remain positive as domestic demand is supported by a fully employed labour market. Against the backdrop of slowing economic growth and moderating inflation, central banks will now manage policy with a focus on economic growth. The U.S. Federal Reserve has the opportunity for a mid-cycle ease in rates in mid-2024, while the Bank of Canada faces the risk of further tightening and will likely need to maintain higher rates for most of the year.

Equity risk was rebalanced in the last quarter of 2023 as cash and fixed income holdings were reduced and invested into the equity markets. The outlook is for positive equity performance in 2024, led by Canadian and US markets.

The TSX delivered solid results in 2023 with the Information Technology sector delivering very strong returns and the Communications and Utilities sectors being the weakest. Despite the fourth-quarter rally, the rate-sensitive sectors underperformed the broader market for the year. Economic growth is likely to remain muted in Canada this year, reflecting weak global growth and higher interest rates impacting households as they refinance mortgages at higher interest rates and cut back on discretionary expenses. If interest rates are gradually reduced mid-year, growth should start to accelerate in the latter part of the year. The valuation on the TSX overall continues to be below average, allowing a margin of safety if earnings expectations need to be adjusted down. Over the medium term, in a lower interest rate environment, we feel that many of the yield-oriented stocks offer attractive dividend yields and valuation while also offering some earnings resilience in periods of weaker economic growth. As a reminder, the portfolio has a mix of cyclical and defensive stocks, with a focus on companies trading at an attractive discount to our internally calculated assessment of intrinsic value that also meet our climate transition criteria.

The investment approach for the Addenda Climate Transition International Equity Fund is long-term oriented and is structured to take advantage of the undervaluation of high-quality companies. The investment philosophy and process are focused on secular and sustainable growth themes that can be leveraged by global players with key competitive advantages and strong management teams. ESG-related factors are integrated into all points of its fundamental analysis and invested across a variety of growth themes to improve resilience through diversification.

The portfolio management team for the Addenda Climate Transition International Equity Fund continues to assess the ongoing concerns that affect companies' operations and remains alert for opportunities that would improve the portfolio's risk-return profile.

The investment approach for the Addenda US Equity Fund is long-term oriented and is structured to take advantage of the undervaluation of high-quality companies. The investment philosophy and process are focused on secular and sustainable growth themes that can be leveraged by global players with key competitive advantages and strong management teams. ESG-related factors are integrated into all points of its fundamental analysis and invested across a variety of growth themes to improve resilience through diversification.

The portfolio management team for the US Equity Fund continues to assess the ongoing concerns that affect the companies' operations and remains alert for opportunities that would improve the portfolio's risk-return profile.

Related Party Transactions

Addenda Capital Inc. ("Addenda") is the Manager and Portfolio Manager of the Fund. Addenda is controlled by Co-operators Financial Services Limited ("CFSL"), a wholly-owned subsidiary of Co-operators Group Limited. Addenda pays the "Operating Expenses" (defined below) of the Fund other than its "Fund Expenses" (defined below), in exchange for the Fund's payment to the Manager of annual fixed-rate administration fees with respect to each series of the Fund.

The administration fees are equal to a percentage of the net asset value of each series of the Fund calculated and paid in the same manner as the Fund's management fees. The Operating Expenses include, but are not limited to: audit and legal fees; transfer agency and recordkeeping costs; accounting and valuation fees; safekeeping and custodial costs; trustee services costs; and the costs of preparing and distributing financial reports, prospectuses, annual information forms, fund facts, continuous disclosure materials and other investors communication.

In addition to administration fees, the Fund shall also pay certain Fund Expenses, namely: taxes (including, without limitation, GST and PST or HST, capital taxes, income taxes and withholding taxes); bank charges, borrowing and interests; termination fees; regulatory filing fees; costs related to the Independent Review Committee ("IRC"); Operating Expenses incurred outside of the normal course of business of the Fund; costs of compliance with newly adopted securities regulations; and costs associated with portfolio transactions, brokerage fees and other trading expenses.

The Fund also pays annual management fees to Addenda as consideration for its services.

For more details on the Fund's fees and expenses, please refer to the "Fees and Expenses" section in the Simplified Prospectus.

Addenda has established the IRC for the Fund in accordance with the requirements of *National Instrument 81-107 – Independent Review Committee for Investment Funds* in order to review conflicts of interest as they relate to investment fund management. The Fund did not rely on an approval, positive recommendation or standing instruction from the Fund's IRC with respect to any related party transactions in the period.

As at December 31, 2023, Addenda held 2 Fund securities for a value of $19, which represented close to 0% of the net asset value of the Fund at that date. Transactions between Addenda and the Fund were carried out in the normal course of business.

As at December 31, 2023, CFSL held 12,889,250 Fund securities for a value of $103,694,020, which represented 99.83% of the net asset value of the Fund at that date. Transactions between CFSL and the Fund were carried out in the normal course of business and at the Fund's net asset value as at the transaction date.

As a result of these transactions, the Fund may be subject to large investor risk as discussed in the Simplified Prospectus. Addenda manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions and large transaction fee.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the accounting periods shown.

Net Assets per Unit[1]

Series A	December 31 2023 $	December 31 2022* $
Net Assets, beginning of period	**9.05**	–
Increase (decrease) from operations:		
Total revenue	**0.22**	0.14
Total expenses	**(0.19)**	(0.03)
Realized gains (losses) for the period	**(0.06)**	(0.30)
Unrealized gains (losses) for the period	**1.15**	2.13
Total increase (decrease) from operations[2]	**1.12**	1.94
Distributions:		
From income (excluding dividends)	**(0.07)**	–
From dividends	**(0.10)**	(0.14)
From capital gains	**–**	–
Return of capital	**–**	–
Total Distributions[3]	**(0.17)**	(0.14)
Net Assets, end of period	**10.11**	9.05

Net Assets per Unit[1]

Series F	December 31 2023 $	December 31 2022* $
Net Assets, beginning of period	**7.10**	–
Increase (decrease) from operations:		
Total revenue	**0.17**	0.13
Total expenses	**(0.07)**	(0.06)
Realized gains (losses) for the period	**(0.05)**	(0.17)
Unrealized gains (losses) for the period	**1.00**	(0.69)
Total increase (decrease) from operations[2]	**1.05**	(0.79)
Distributions:		
From income (excluding dividends)	**(0.01)**	–
From dividends	**(0.09)**	(0.07)
From capital gains	**–**	–
Return of capital	**–**	–
Total Distributions[3]	**(0.10)**	(0.07)
Net Assets, end of period	**8.04**	7.10

* *For the period from March 28, 2022 (beginning of operations) to December 31, 2022.*

(1) *This information is derived from the Fund's audited annual financial statements.*

(2) *Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.*

(3) *Distributions were reinvested in additional units of the Fund.*

Ratios and Supplemental Data

Series A	December 31 2023	December 31 2022*
Total Net Asset Value ('000s of $)[1]	**178**	56
Number of Units Outstanding[1]	**17,587**	6,180
Management Expense Ratio (%)[2]	**1.81**	0.09
Management Expense Ratio before waivers or absorptions (%)	**1.81**	0.09
Trading Expense Ratio (%)[3]	**0.05**	0.21
Portfolio Turnover Rate (%)[4]	**27.05**	14.46
Net Asset Value per Unit ($)	**10.11**	9.05

Addenda Global Diversified Equity Fund

Ratios and Supplemental Data

Series F	December 31 2023	December 31 2022*
Total Net Asset Value ('000s of $)(1)	**103,690**	90,262
Number of Units Outstanding(1)	**12,889,252**	12,718,560
Management Expense Ratio (%)(2)	**0.83**	0.92
Management Expense Ratio before waivers or absorptions (%)	**0.83**	0.92
Trading Expense Ratio (%)(3)	**0.05**	0.21
Portfolio Turnover Rate (%)(4)	**27.05**	14.46
Net Asset Value per Unit ($)	**8.04**	7.10

* *For the period from March 28, 2022 (beginning of operations) to December 31, 2022.*

(1) *This information is provided as at the last day of the accounting period shown.*

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

(3) *The trading expense ratio represents total commissions and other Fund transaction costs expressed as an annualized percentage of daily average net asset value during the period*

(4) *The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.*

Management Fees

The Fund pays annual management fees to the Fund manager for its management services. The fees are calculated based on a percentage of the Fund's daily net asset value before applicable taxes and are paid on a monthly basis. A portion of the management fees paid by the Fund covers maximum annual trailer fees and sales commissions paid to brokers. The remainder of the management fees primarily covers investment management and general administration services. The breakdown of major services provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

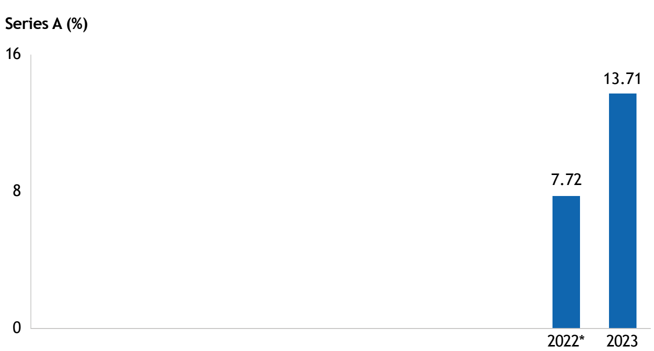
		Breakdown of Services	
	Management Fee (%)	Investment Advisory and Other Fees (%)	Trailer Fee (%)
Series A	1.50	33.33	66.67
Series F	0.50	100.00	N/A

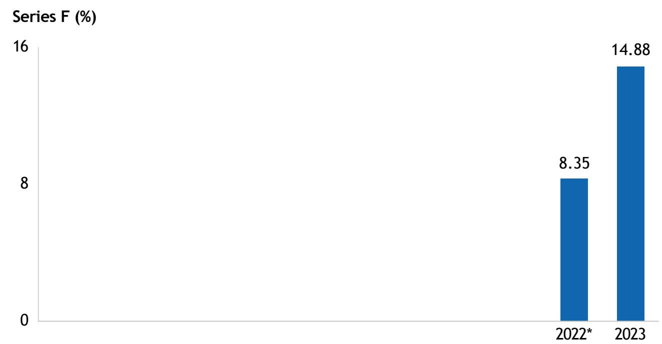
Past Performance

Performance data assumes that all distributions of each series of the Fund for the periods shown were reinvested in additional Fund units. However, it does not take into account purchases, redemptions, investments or other optional charges, and returns would be lower if it did.

The past performance of each series of the Fund is not necessarily indicative of future performance.

Annual Performance (%)





**Beginning of operations on March 28, 2022*

These graphs present the annual performance of each series of the Fund for each fiscal year shown and illustrate the evolution of each series of the Fund from one year to the next. These graphs also indicate, in percentage terms, how the value of an investment made on the first day of each fiscal year would have evolved as of the last day of that fiscal year. The last column shows the total performance of each series of the Fund for the interim period. Returns may differ from one series to another for a number of reasons, including if the series was not issued and outstanding for the entire period under review and because of the different levels of management fees and expenses.

Annual Compound Returns (%)

	1 year	3 years	5 years	10 years*
Series A	13.71	N/A	N/A	2.58
Benchmark index	16.26	N/A	N/A	5.26
Series F	14.88	N/A	N/A	3.03
Benchmark index	16.26	N/A	N/A	5.26

**Or since inception.*

Benchmark Index

Addenda Global Diversified Equity Fund benchmark composed of 40% S&P/TSX Composite Index, 30% S&P 500 (CAD), and 30% MSCI EAFE Net (CAD).

Addenda Global Diversified Equity Fund

Comparison with the Index

The Global Diversified Equity Fund (Series A) returned 13.71% for the year while the benchmark index posted a 16.26% return. The fund underperformed the benchmark primarily due to a defensive asset mix with an allocation to cash and fixed income for the first three quarters of the year, and a below benchmark weight in equities overall. Canadian and US equity asset classes added value versus their respective benchmarks, although International equity performance lagged the benchmark on the year. Please refer to the "Past Performance" section for the returns by series, which may vary because of differences in management fees and expenses.

Summary of Investment Portfolio

The investments and percentages will change over time due to ongoing portfolio transactions and market movements. A quarterly update of the Summary of Investment Portfolio is available and may be obtained by asking your representative for a copy, contacting the Manager, Addenda at 1 866 908-3488 or mutualfunds@addendacapital.com, or by visiting addendacapital.com or sedarplus.com.

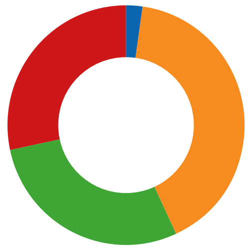
Top 25 Investments

As at December 31, 2023

Security	% of net asset value
1. Toronto-Dominion Bank	2.7
2. Brookfield Corp., Class A	2.3
3. Canadian Natural Resources Ltd.	2.3
4. Royal Bank of Canada	2.2
5. Broadcom Inc.	2.1
6. Microsoft Corp.	2.1
7. Bank of Montreal	2.0
8. Apple Inc.	1.9
9. CGI Inc., Class A	1.9
10. Canadian Pacific Kansas City Ltd.	1.9
11. Dollarama Inc.	1.8
12. Enbridge Inc.	1.8
13. Schneider Electric SE	1.8
14. Canadian National Railway Co.	1.8
15. Shopify Inc., Class A	1.8
16. Experian PLC	1.7
17. Wheaton Precious Metals Corp.	1.7
18. EssilorLuxottica	1.6
19. Capgemini SE	1.6
20. RELX PLC	1.6
21. Open Text Corp.	1.6
22. LVMH Moët Hennessy Louis Vuitton SE	1.5
23. Grifols SA, Class A	1.4
24. Coca-Cola HBC AG	1.4
25. Loblaw Cos. Ltd.	1.4
Total % of Top 25 Investments	**45.9**

Asset Mix (%)

As at December 31, 2023



Cash and Cash Equivalents	2.4
Total Fixed Income and Money Market	**2.4**
Canadian Equities	40.9
US Equities	28.6
International Equities	28.1
Total Equity	**97.6**