

Interim Management Report of Fund Performance

ADDENDA GLOBAL BALANCED FUND

June 30, 2022

This interim management report of fund performance contains financial highlights but does not contain the interim financial report of the investment fund. You can get a copy of the interim financial report 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 2750, Montréal, Québec H3B 1X9 or by visiting our website at addendacapital.com or SEDAR at sedar.com. Securityholders 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 Balanced Fund

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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 20-60% in Fixed Income and Money Market, and a target weighting of 40-80% in Equity.

In addition, in selecting the majority of the securities in which the Fund invests, the Manager will integrate the "Sustainable Investing Framework" described on page 27 of the Simplified Prospectus. This includes the consideration of environmental, social and governance (ESG) matters as well as 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 a combination of current income and some long term growth and who have a low to medium tolerance for risk.

Results of Operations

The Fund was launched on March 31, 2022, and its net asset value was \$89,611,366 million as of June 30, 2022. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The Canadian equity market is now trading at a much more reasonable multiple of earnings, one that is more appropriate for a higher interest rate environment. The direction of the market from here will likely be driven by earnings expectations. We expect some downward pressure on earnings expectations as central banks aggressively raise rates to curb demand and inflation.

Meanwhile, interest rates rose as the bond market reacted to inflation pressure and priced in aggressive tightening of monetary policy. The Bank of Canada hiked the overnight target rate 100 basis points while the Federal Reserve tightened their target range by 125 basis points, while also signaling more to follow. Corporate spreads continued to widen, driven by rising interest rates, weak equity markets, and a growing concern about slowing economic momentum in the future.

In the United States, markets continued to struggle through the second quarter as concerns over inflation, interest rates, and the potential for a recession were compounded by a more sustained conflict in Ukraine and its impact on energy prices. The increased uncertainty has led to more widespread recession fears. Unlike in the first quarter, valuations have pulled back more significantly in the second quarter. International equities may be negatively impacted by a slowdown in China and the ongoing war between Russia and Ukraine.

The Fund is underweight the fixed income component overall relative to the benchmark with very modest exposure to Global and high yield securities. An allocation to cash has served as a defensive cushion in recent volatile markets. Non-Canadian equity allocations are below benchmark weights, offset by a slight overweight position in Canadian Equities and a small allocation to preferred shares.

In line with the Sustainable Investing Framework, the climate change investment theme represented the largest share of Addenda's Canadian fixed income impact investments. Focus areas of the climate change theme included renewable energy, energy efficiency and clean transportation.

As part of our climate transition approach, we pursued engagement with numerous companies on issues regarding climate strategy. We added a new equity holding in a Canadian natural gas producer as we expect continued strong supply-demand characteristics for natural gas. We also added to our equity position in a Canadian fertilizer company as geopolitical events tightened an already tight market for potash and nitrogen.

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 charges the Fund a fixed administration fee in place of certain variable expenses. 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; 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 Simplified Prospectus on page 19.

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.

Addenda Global Balanced Fund

Related Party Transactions (continued)

CFSL may invest in the Fund. All these investments are made on a prospectus-exempt basis. As at June 30, 2022, Addenda held 2 Fund securities for a value of \$18, 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 June 30, 2022, CFSL held 10,112,606 Fund securities for a value of \$89,611,348, which represented close to 100% 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.

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

Since the present Interim Management Report of Fund Performance is the first interim report submitted for this Fund, National Instrument 81-106 does not permit the presentation of financial highlights. The Fund's units were available since March 31, 2022.

Past Performance

Since the present Interim Management Report of Fund Performance is the first interim report submitted for this Fund, National Instrument 81-106 does not permit the presentation of past performance. The Fund's units were available since March 31, 2022.

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 sedar.com.

Top 25 Holdings

As at June 30, 2022

Security	% of net asset value
1. Franklin Liberty Global Aggregate Bond ETF (CAD-Hedged)	5.4
2. Government of Canada, Series N670, 2.250%, 2029-12-01	4.4
3. Canada Treasury Bills, 2022-09-01	3.9
4. iShares U.S. High Yield Bond Index ETF	2.9
5. Toronto-Dominion Bank	2.8
6. Brookfield Asset Management Inc., Class A	2.4
7. Government of Canada, Series N597, 2.000%, 2032-06-01	2.3
8. Royal Bank of Canada	2.2
9. Province of Ontario, Series DMTN251, 1.550%, 2029-11-01	2.2
10. Enbridge Inc.	2.1
11. Bank of Nova Scotia	2.0
12. Hydro-Québec, Series 20, 6.000%, 2040-02-15	1.8
13. Canadian Natural Resources Ltd.	1.7
14. Dollarama Inc.	1.7
15. WSP Global Inc.	1.6
16. Canadian Pacific Railway Ltd.	1.5
17. Canadian National Railway Co.	1.4
18. Nutrien Ltd.	1.4
19. CGI Inc., Class A	1.3
20. Open Text Corp.	1.3
21. Government of Canada, Series M680, 1.750%, 2053-12-01	1.2
22. Manulife Financial Corp., 3.317% (Floating rate starting in 2023), 2028-05-09	1.1
23. Province of Ontario, Series DMN254, 3.750%, 2032-06-02	1.1
24. Loblaw Cos. Ltd.	1.1
25. Suncor Energy Inc.	1.0
Total % of Top 25 Investments	51.8

Asset Mix (%)

As at June 30, 2022



