



**MD Financial  
Management Inc.**

MDPIM Pooled Funds  
2023 Annual  
Financial Statements

# A Message Regarding Your Financial Statements

The Annual Financial Statements produced for our MDPIM Pools are an important part our commitment to keeping clients informed about their MD investments. The Annual Financial Statements are produced on a pool-by-pool basis.

If you have any questions regarding these documents, please contact your MD advisor or the MD TradeCentre at 1 800 267-2332.

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## **Audited Annual Financial Statements for the Year Ended December 31, 2023**

These audited Annual Financial Statements do not contain the Annual Management Report of Fund Performance ("MRFP") of the investment fund. If you have not received a copy of the Annual MRFP with this report, you may obtain a copy of the Annual MRFP at your request, and at no cost, by calling the toll-free number 1 800 267-2332, by writing to us at MD Financial Management Inc., 1870 Alta Vista Dr., Ottawa ON K1G 6R7, by visiting our website at [md.ca](http://md.ca) or by visiting the SEDAR+ website at [sedarplus.ca](http://sedarplus.ca). 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.

MD Financial Management Inc. wholly owns or has a majority interest in the MD Group of Companies. It provides financial products and services, is the fund manager for the MD Family of Funds and offers investment counselling services. For a detailed list of the MD Group of Companies, visit [md.ca](http://md.ca).

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed. Their values change frequently, and past performance may not be repeated. To obtain a copy of the prospectus, please call your MD Advisor, or the MD Trade Centre at 1 800 267-2332. The MD Family of Funds is managed by MD Financial Management Inc.

# MDPIM Pooled Funds

## Management's Responsibility for Financial Reporting

Management acknowledges responsibility for the preparation and presentation of the financial statements of MDPIM Short-Term Bond Pool, MDPIM Dividend Pool, MDPIM Canadian Equity Pool, MDPIM US Equity Pool, MDPIM International Equity Pool, MDPIM Bond Pool, MDPIM Strategic Yield Pool, MDPIM Strategic Opportunities Pool, MDPIM Emerging Markets Equity Pool, MDPIM S&P TSX Capped Composite Index Pool, MDPIM S&P 500 Index Pool and MDPIM International Equity Index Pool (collectively "the funds").

These financial statements have also been approved, in its capacity as trustee, by the Board of Directors of MD Financial Management Inc. The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Management has, where required, made these judgments and estimates on a reasonable basis to ensure that the financial statements are presented fairly in all material respects. Management also maintains strong internal controls to provide reasonable assurance that the financial information provided is reliable and accurate, that the funds' assets are appropriately accounted for and safeguarded, and that any compliance requirements arising under corporate legislation, securities regulations and internal codes of business conduct are strictly adhered to.

The Board of Directors of MD Financial Management Inc. are responsible to ensure that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements as outlined above.

The Board of Directors meets with management and the external auditors periodically to discuss internal control, accounting and auditing matters and financial reporting issues, to satisfy themselves that each party has properly discharged its responsibilities. The Board reviews unaudited semi-annual financial statements and audited annual financial statements including the external auditors' report thereon. The Board considers these findings when making its ultimate approval of the financial statements for issuance. The Board also reviews the appointment of the external auditor annually.

The financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards. KPMG LLP has full and free access to the Board of MD Financial Management Inc.

Signed on behalf of MD Financial Management Inc. in its capacity as trustee of MDPIM Short-Term Bond Pool, MDPIM Dividend Pool, MDPIM Canadian Equity Pool, MDPIM US Equity Pool, MDPIM International Equity Pool, MDPIM Bond Pool, MDPIM Strategic Yield Pool, MDPIM Strategic Opportunities Pool, MDPIM Emerging Markets Equity Pool, MDPIM S&P TSX Capped Composite Index Pool, MDPIM S&P 500 Index Pool and MDPIM International Equity Index Pool.



Pamela Allen  
President and Chief Executive Officer  
MD Financial Management Inc.



Rob Charters  
Chief Financial Officer  
MD Financial Management Inc.



## **KPMG LLP**

Bay Adelaide Centre  
333 Bay Street, Suite 4600  
Toronto, ON M5H 2S5  
Canada  
Telephone 416 777 8500  
Fax 416 777 8818

## **Independent Auditor's Report**

To the Unitholders and Trustee of

MDPIM Short-Term Bond Pool  
MDPIM Dividend Pool  
MDPIM Canadian Equity Pool  
MDPIM US Equity Pool  
MDPIM International Equity Pool  
MDPIM Bond Pool  
MDPIM Strategic Yield Pool  
MDPIM Strategic Opportunities Pool  
MDPIM Emerging Markets Equity Pool  
MDPIM S&P/TSX Capped Composite Index Pool  
MDPIM S&P 500 Index Pool  
MDPIM International Equity Index Pool  
(collectively, the "Funds")

### **Opinion**

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2023 and December 31, 2022
- the statements of comprehensive income for the years then ended
- the statements of changes in net assets attributable to holders of redeemable units for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the "financial statements").



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In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2023 and December 31, 2022, and their financial performance and their cash flows for the years then ended in accordance with IFRS Accounting Standards.

### **Basis for Opinion**

We conducted our audits 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 auditor's report.

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

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

### **Other Information**

Management is responsible for the other information. Other information comprises:

- the information included in the Annual Management Reports of Fund Performance of the Funds.

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

In connection with our audits of the financial statements, 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 or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in the Annual Management Reports of Fund Performance of the Funds filed with the relevant Canadian Securities Commissions as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.



## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements 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 Funds' ability 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 the Funds 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 the Funds.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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.

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, 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 the Funds.



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- 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 Funds' ability 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 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 the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 audits.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 11, 2024

# MDPIM S&P 500 Index Pool

## Financial Statements

### Statements of Financial Position

(in \$000's except for units outstanding and per unit amounts)

	December 31, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Investments (Note 3, 8 and 9)	\$ 1,342,782	\$ 1,229,992
Cash	12,801	12,765
Dividends and interest receivable	980	816
Subscriptions receivable	517	731
	1,357,080	1,244,304
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued expenses (Note 4)	4	-
Payable for investment transactions	2,913	2,677
Redemptions payable	135	157
	3,052	2,834
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 1,354,028</b>	<b>\$ 1,241,470</b>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A	\$ 1,230,877	\$ 1,168,396
Series F	\$ 123,151	\$ 73,074
<b>Number of redeemable units outstanding (see Fund Specific Notes)</b>		
Series A	62,889,600	72,459,704
Series F	6,527,481	4,706,354
<b>Net assets attributable to holders of redeemable units per unit, per series</b>		
Series A	\$ 19.57	\$ 16.12
Series F	\$ 18.87	\$ 15.53

Approved by the Board of Directors of MD Financial Management Inc., Trustee



Director  
(Signed by Pamela Allen)



Director  
(Signed by Brent Currie)

### Statements of Comprehensive Income

for the years ended December 31 (in \$000's except for per unit amounts)

	2023	2022
<b>Income</b>		
Net gain (loss) on investments		
Dividends	\$ 21,476	\$ 20,359
Interest for distribution purposes	145	64
Net realized gain (loss) on sale of investments	63,392	56,537
Change in unrealized appreciation (depreciation) of investments	186,603	(249,375)
Net gain (loss) on investments	271,616	(172,415)
Net gain (loss) on derivative instruments		
Net realized gain (loss) on derivative instruments	(47)	(7)
Net gain (loss) on derivatives instruments	(47)	(7)
<b>Other Income</b>		
Foreign exchange gain (loss) on cash	20	324
Early redemption fee	-	2
Securities lending (see Fund Specific Notes)	15	11
Other	-	4
Total other income	35	341
Total income (loss)	271,604	(172,081)
<b>Expenses</b>		
Management fees (Note 4)	72	50
Regulatory filing fees	32	28
Audit fees	8	7
Custodial fees	53	49
Securityholder reporting costs	12	13
Administration fees (Note 4)	184	184
Independent Review Committee (IRC) fees	4	4
Interest expense	25	5
Withholding tax on foreign income	3,213	3,033
Transaction costs (Note 5)	41	38
Total expenses	3,644	3,411
Operating expenses absorbed by the Fund Manager (Note 4)	(293)	(285)
Net expenses	3,351	3,126
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 268,253</b>	<b>\$ (175,207)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	\$ 248,892	\$ (166,582)
Series F	\$ 19,361	\$ (8,625)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit, per series</b>		
Series A	\$ 3.71	\$ (2.33)
Series F	\$ 3.56	\$ (2.07)

The accompanying notes are an integral part of these financial statements.



# MDPIM S&P 500 Index Pool

## Financial Statements

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units ("Net Assets")

for the years ended December 31 (in \$000's)

	2023	2022
<b>SERIES A</b>		
<b>Net assets - beginning of year</b>	\$ 1,168,396	\$ 1,344,600
Add (deduct) changes during the year:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	248,892	(166,582)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	199,138	345,439
Cash paid for redemption of redeemable units	(384,882)	(354,496)
Units issued on reinvestment of distributions	16,389	15,444
	(169,355)	6,387
<b>Distributions</b>		
From net investment income	(17,056)	(16,009)
	(17,056)	(16,009)
<b>Net assets - end of year</b>	\$ 1,230,877	\$ 1,168,396

<b>SERIES F</b>		
<b>Net assets - beginning of year</b>	\$ 73,074	\$ 65,964
Add (deduct) changes during the year:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	19,361	(8,625)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	45,973	26,879
Cash paid for redemption of redeemable units	(15,248)	(11,141)
Units issued on reinvestment of distributions	1,204	822
	31,929	16,560
<b>Distributions</b>		
From net investment income	(1,213)	(825)
	(1,213)	(825)
<b>Net assets - end of year</b>	\$ 123,151	\$ 73,074

	2023	2022
<b>TOTAL FUND</b>		
<b>Net assets - beginning of year</b>	\$ 1,241,470	\$ 1,410,564
Add (deduct) changes during the year:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	268,253	(175,207)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	245,111	372,318
Cash paid for redemption of redeemable units	(400,130)	(365,637)
Units issued on reinvestment of distributions	17,593	16,266
	(137,426)	22,947
<b>Distributions</b>		
From net investment income	(18,269)	(16,834)
	(18,269)	(16,834)
<b>Net assets - end of year</b>	\$ 1,354,028	\$ 1,241,470

The accompanying notes are an integral part of these financial statements.

# MDPIM S&P 500 Index Pool

## Financial Statements

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### Statements of Cash Flows

for the years ended December 31 (in \$000's)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	\$ 268,253	\$ (175,207)
<b>Adjustments for:</b>		
Proceeds from sale of investments	247,428	222,147
Purchase of investments	(109,987)	(240,927)
Unrealized foreign exchange (gain) loss on cash	46	30
Net realized (gain) loss on sale of investments	(63,392)	(56,537)
Change in unrealized (appreciation) depreciation of investments	(186,603)	249,375
Net change in non-cash working capital	(160)	(194)
<b>Net cash from (used in) operating activities</b>	155,585	(1,313)
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issue of redeemable units	245,325	372,023
Distributions to holders of redeemable units, net of reinvested distribution	(676)	(568)
Cash paid for redemption of redeemable units	(400,152)	(365,817)
<b>Net cash from (used in) financing activities</b>	(155,503)	5,638
<b>Unrealized foreign exchange gain (loss) on cash</b>	(46)	(30)
<b>Net increase (decrease) in cash during the year</b>	36	4,295
<b>Cash, beginning of year</b>	12,765	8,470
<b>Cash, end of year</b>	\$ 12,801	\$ 12,765
Interest received	144	60
Dividends received, net of withholding taxes	18,100	17,136

The accompanying notes are an integral part of these financial statements.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
<b>FOREIGN EQUITIES</b>			
<b>Communication Services (8.5%)</b>			
Alphabet Inc. Cl. A	149,418	13,655	27,657
Alphabet Inc. Cl. C	126,542	11,335	23,630
AT&T Inc.	182,708	6,010	4,062
Charter Communications, Inc. Cl. A	2,535	1,352	1,306
Comcast Corporation Cl. A	101,409	5,584	5,892
Electronic Arts Inc.	6,263	885	1,135
Fox Corporation Cl. A	4,556	230	179
Fox Corporation Cl. B	5,849	259	214
Live Nation Entertainment, Inc.	3,473	327	431
Match Group, Inc.	6,909	1,208	334
Meta Platforms Inc. Cl. A	56,193	13,885	26,355
Netflix, Inc.	11,044	3,978	7,125
News Corporation Cl. A	7,525	137	245
News Corporation Cl. B	4,117	103	140
Omnicom Group Inc.	5,096	492	584
Paramount Global Cl. B	11,772	699	231
Take-Two Interactive Software, Inc.	3,846	606	820
The Interpublic Group of Companies, Inc.	9,729	376	421
The Walt Disney Company	45,531	7,186	5,447
T-Mobile US, Inc.	12,462	1,711	2,648
Verizon Communications Inc.	108,088	6,975	5,400
Warner Bros. Discovery, Inc.	55,054	2,215	830
<b>Total for Communication Services</b>		<b>79,208</b>	<b>115,086</b>
<b>Consumer Discretionary (10.8%)</b>			
Airbnb, Inc. Cl. A	10,975	2,120	1,980
Amazon.com, Inc.	230,175	27,378	46,341
Aptiv PLC	7,075	839	841
AutoZone, Inc.	447	573	1,531
Bath & Body Works, Inc.	5,754	359	329
Best Buy Co., Inc.	4,715	435	489
Booking Holdings Inc.	890	2,321	4,183
BorgWarner Inc.	6,487	338	308
Caesars Entertainment Inc.	6,379	609	396
CarMax, Inc.	3,856	384	392
Carnival Corporation	24,365	805	599
Chipotle Mexican Grill, Inc.	689	764	2,088
D.R. Horton, Inc.	7,720	509	1,555
Darden Restaurants, Inc.	3,330	496	725
Domino's Pizza, Inc.	948	497	518
eBay Inc.	13,886	708	803
Etsy, Inc.	2,889	483	310
Expedia Group, Inc.	3,357	645	675
Ford Motor Company	103,427	1,576	1,671
Garmin Ltd.	3,992	439	680
General Motors Company	34,405	1,773	1,638
Genuine Parts Company	3,489	498	640
Hasbro, Inc.	3,539	448	239
Hilton Worldwide Holdings Inc.	6,388	740	1,541
Las Vegas Sands Corp.	10,219	694	666
Lennar Corporation Cl. A	6,206	511	1,226
LKQ Corporation	6,499	337	412
Lowe's Companies, Inc.	14,682	2,278	4,330

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Lululemon Athletica Inc.	2,879	1,622	1,950
Marriott International, Inc. Cl. A	6,075	941	1,815
McDonald's Corporation	18,830	4,767	7,398
MGM Resorts International	6,874	273	407
Mohawk Industries, Inc.	764	193	105
NIKE, Inc. Cl. B	31,007	3,334	4,461
Norwegian Cruise Line Holdings, Ltd.	9,693	319	257
NVR, Inc.	84	454	779
O'Reilly Automotive, Inc.	1,502	696	1,891
Pool Corporation	950	429	502
PulteGroup Inc.	5,534	302	757
Ralph Lauren Corporation Cl. A	928	131	177
Ross Stores Inc.	8,311	849	1,524
Royal Caribbean Cruises Ltd.	5,684	681	975
Starbucks Corporation	29,656	2,922	3,773
Tapestry, Inc.	5,567	270	271
Tesla, Inc.	69,962	21,474	23,035
The Home Depot, Inc.	25,543	7,073	11,729
The TJX Companies, Inc.	28,708	1,883	3,568
Tractor Supply Company	2,709	338	772
Ulta Beauty, Inc.	1,198	514	778
V.F. Corporation	9,026	697	225
Whirlpool Corporation	1,678	371	271
Wynn Resorts, Ltd.	2,728	368	329
YUM! Brands, Inc.	8,241	1,099	1,427
<b>Total for Consumer Discretionary</b>		<b>101,557</b>	<b>146,282</b>
<b>Consumer Staples (5.9%)</b>			
Archer-Daniels-Midland Company	13,971	996	1,337
Brown-Forman Corporation Cl. B	7,227	617	547
Bunge Global SA	3,999	578	535
Campbell Soup Company	6,577	404	377
Church & Dwight Co., Inc.	7,798	771	977
Colgate-Palmolive Company	22,671	2,223	2,395
Conagra Brands, Inc.	17,064	696	648
Constellation Brands, Inc. Cl. A	4,706	1,395	1,507
Costco Wholesale Corporation	11,229	4,299	9,821
Dollar General Corporation	5,466	870	985
Dollar Tree, Inc.	5,041	672	949
General Mills, Inc.	16,011	1,302	1,382
Hormel Foods Corporation	8,539	470	363
Kellanova	9,372	794	694
Kenvue Inc.	50,674	1,604	1,446
Keurig Dr Pepper Inc.	29,919	1,357	1,321
Kimberly-Clark Corporation	9,751	1,699	1,570
Lamb Weston Holdings, Inc.	4,177	438	598
McCormick & Company, Incorporated	6,611	624	599
Molson Coors Brewing Company Cl. B	7,175	502	582
Mondelez International, Inc. Cl. A	35,582	2,373	3,415
Monster Beverage Corporation	21,241	1,114	1,621
PepsiCo, Inc.	35,603	6,412	8,012
Sysco Corporation	13,846	1,168	1,342
Target Corporation	11,577	1,295	2,185
The Clorox Company	3,845	780	726
The Coca-Cola Company	100,692	6,648	7,863

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
The Estee Lauder Companies Inc. Cl. A	6,117	1,265	1,185
The Hershey Company	4,216	880	1,042
The J.M. Smucker Company	3,103	504	520
The Kraft Heinz Company	22,983	1,549	1,126
The Kroger Co.	17,800	775	1,078
The Procter & Gamble Company	60,540	8,655	11,755
Tyson Foods, Inc. Cl. A	7,620	694	543
Walgreens Boots Alliance, Inc.	19,080	1,613	660
Walmart Inc.	36,490	5,084	7,623
<b>Total for Consumer Staples</b>		<b>63,120</b>	<b>79,329</b>
<b>Energy (3.8%)</b>			
APA Corporation	7,355	356	350
Baker Hughes Company Cl. A	25,559	1,047	1,158
Chevron Corporation	44,334	7,127	8,762
ConocoPhillips	30,101	2,572	4,630
Coterra Energy Inc.	21,773	665	736
Devon Energy Corporation	17,464	794	1,048
Diamondback Energy, Inc.	4,613	637	948
EOG Resources, Inc.	14,256	1,840	2,285
EQT Corporation	9,878	548	506
Exxon Mobil Corporation	101,581	10,738	13,457
Halliburton Company	22,707	1,070	1,088
Hess Corporation	6,817	624	1,302
Kinder Morgan, Inc. Cl. P	53,780	1,352	1,257
Marathon Oil Corporation	12,017	278	385
Marathon Petroleum Corporation	9,433	787	1,854
Occidental Petroleum Corporation	15,616	1,141	1,236
ONEOK, Inc.	15,433	1,228	1,436
Phillips 66	11,048	1,269	1,949
Pioneer Natural Resources Company	6,229	1,427	1,856
Schlumberger NV	35,935	2,545	2,478
Targa Resources Corp.	5,451	507	627
The Williams Companies, Inc.	31,911	1,229	1,473
Valero Energy Corporation	8,622	850	1,485
<b>Total for Energy</b>		<b>40,631</b>	<b>52,306</b>
<b>Financials (12.9%)</b>			
Aflac Incorporated	13,240	783	1,447
American Express Company	14,450	2,015	3,587
American International Group, Inc.	17,377	1,313	1,560
Ameriprise Financial, Inc.	2,710	678	1,364
Aon PLC Cl. A	5,081	1,401	1,959
Arch Capital Group Ltd.	9,338	747	919
Arthur J. Gallagher & Co.	5,608	825	1,671
Assurant, Inc.	1,298	190	290
Bank of America Corporation	173,221	6,418	7,728
Berkshire Hathaway Inc. Cl. B	46,369	13,263	21,914
BlackRock, Inc.	3,522	2,339	3,789
Blackstone Inc.	18,027	2,775	3,127
Brown & Brown, Inc.	6,020	459	567
Capital One Financial Corporation	9,572	1,213	1,663
Choe Global Markets, Inc.	2,626	350	621
Chubb Limited	10,316	2,027	3,089
Cincinnati Financial Corp.	4,099	459	562

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Citigroup Inc.	49,260	3,958	3,358
Citizens Financial Group, Inc.	11,742	569	516
CME Group Inc. Cl. A	9,023	1,859	2,518
Comerica Inc.	3,017	280	223
Discover Financial Services	6,243	625	930
Everest Re Group, Ltd.	1,153	413	540
FactSet Research Systems Inc.	988	588	625
Fidelity National Information Services, Inc.	14,540	2,124	1,157
Fifth Third Bancorp	16,412	596	750
Fiserv, Inc.	15,177	1,791	2,671
FLEETCOR Technologies, Inc.	1,773	540	664
Franklin Resources, Inc.	9,032	412	357
Global Payments Inc.	6,543	881	1,101
Globe Life Inc.	1,826	232	295
Huntington Bancshares Incorporated	39,058	691	658
Intercontinental Exchange, Inc.	14,171	1,451	2,412
Invesco Ltd.	12,145	444	287
Jack Henry & Associates, Inc.	1,710	361	370
JPMorgan Chase & Co.	73,115	10,304	16,479
KeyCorp	23,465	465	448
Loews Corporation	3,595	252	331
M&T Bank Corporation	4,151	841	754
MarketAxess Holdings Inc.	886	388	344
Marsh & McLennan Companies, Inc.	13,085	1,921	3,285
MasterCard Incorporated Cl. A	21,074	5,854	11,910
MetLife, Inc.	15,986	1,055	1,401
Moody's Corporation	4,048	969	2,095
Morgan Stanley	32,564	2,487	4,024
MSCI Inc. Cl. A	2,023	587	1,516
Nasdaq, Inc.	8,478	423	653
Northern Trust Corporation	5,169	625	578
PayPal Holdings, Inc.	26,745	3,243	2,176
Principal Financial Group, Inc.	5,594	467	583
Prudential Financial, Inc.	10,075	1,400	1,385
Raymond James Financial, Inc.	4,397	376	650
Regions Financial Corporation Registered Shares	21,233	487	545
S&P Global Inc.	8,144	2,376	4,754
State Street Corporation	7,709	825	791
Synchrony Financial	10,513	436	532
T. Rowe Price Group Inc.	5,880	727	839
The Allstate Corporation	6,516	806	1,209
The Bank of New York Mellon Corporation	19,372	1,240	1,336
The Charles Schwab Corporation	37,334	2,424	3,403
The Goldman Sachs Group, Inc.	8,363	2,712	4,275
The Hartford Financial Services Group, Inc.	7,738	569	824
The PNC Financial Services Group, Inc.	9,981	1,773	2,048
The Progressive Corporation	14,747	1,362	3,112
The Travelers Companies, Inc.	5,809	1,036	1,466
Truist Financial Corporation	33,584	2,102	1,643
U.S. Bancorp	39,149	2,525	2,245
Visa Inc. Cl. A	40,386	7,523	13,932
W. R. Berkley Corporation	4,989	338	468
Wells Fargo & Company	91,467	5,874	5,965
Willis Towers Watson PLC	2,471	519	790

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Zions Bancorporation, National Association	3,219	159	187
Total for Financials		122,540	174,265
<b>Health Care (12.6%)</b>			
Abbott Laboratories	44,282	4,324	6,458
AbbVie Inc.	45,170	5,505	9,275
Agilent Technologies, Inc.	7,118	796	1,311
Align Technology, Inc.	1,768	697	642
Amgen Inc.	13,726	3,523	5,238
Baxter International Inc.	13,585	1,164	696
Becton, Dickinson and Company	7,406	2,169	2,393
Biogen Inc.	3,585	1,251	1,229
Bio-Rad Laboratories, Inc. Cl. A	454	306	194
Bio-Techne Corporation	3,895	584	398
Boston Scientific Corporation	36,684	1,628	2,810
Bristol-Myers Squibb Company	53,492	4,124	3,637
Cardinal Health, Inc.	6,311	505	843
Catalent, Inc.	4,427	525	264
Cencora Inc Cl. A	4,520	744	1,230
Centene Corporation	13,441	1,057	1,322
Charles River Laboratories International, Inc.	1,174	437	368
CVS Health Corporation	32,506	3,354	3,401
Danaher Corporation	16,712	2,831	5,123
DaVita Inc.	1,281	143	178
DENTSPLY SIRONA, Inc.	4,758	366	224
Dexcom, Inc.	9,679	1,412	1,591
Edwards Lifesciences Corporation	15,213	1,142	1,537
Elevance Health, Inc.	5,979	1,947	3,736
Eli Lilly and Company	20,215	4,145	15,614
GE HealthCare Technologies Inc.	9,816	1,294	1,006
Gilead Sciences, Inc.	32,240	2,913	3,461
HCA Healthcare, Inc.	5,102	789	1,830
Henry Schein, Inc.	3,124	309	313
Hologic, Inc.	5,965	415	565
Humana Inc.	3,148	1,264	1,910
IDEXX Laboratories, Inc.	2,121	715	1,560
Illumina, Inc.	3,785	1,275	698
Incyte Corporation	3,950	447	329
Insulet Corporation	1,734	730	499
Intuitive Surgical, Inc.	8,920	1,869	3,987
IQVIA Holdings Inc.	4,619	860	1,416
Johnson & Johnson	61,426	11,489	12,757
Laboratory Corporation of America Holdings	2,117	465	638
McKesson Corporation	3,477	944	2,133
Medtronic Public Limited Company	34,061	4,098	3,718
Merck & Co., Inc.	64,876	6,203	9,372
Mettler-Toledo International Inc.	577	590	927
Moderna, Inc.	8,168	3,164	1,076
Molina Healthcare, Inc.	1,480	606	709
Pfizer Inc.	144,670	7,278	5,519
Quest Diagnostics Incorporated	2,915	446	533
Regeneron Pharmaceuticals, Inc. Registered Shares	2,689	1,805	3,129
ResMed Inc.	3,781	642	862
Revvity, Inc.	2,868	389	415
STERIS Public Limited Company	2,540	545	740

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Stryker Corporation	8,580	2,064	3,405
Teleflex Incorporated	1,146	399	379
The Cigna Group	7,462	1,800	2,961
The Cooper Companies, Inc.	1,213	422	608
Thermo Fisher Scientific Inc.	9,752	3,716	6,859
UnitedHealth Group Incorporated	23,599	8,925	16,463
Universal Health Services, Inc. Cl. B	1,527	251	308
Vertex Pharmaceuticals Inc.	6,543	1,705	3,528
Viatris Inc.	34,793	646	499
Waters Corporation	1,615	479	705
West Pharmaceutical Services, Inc.	1,878	637	876
Zimmer Biomet Holdings, Inc.	5,062	816	816
Zoetis Inc. Cl. A	11,613	1,591	3,037
<b>Total for Health Care</b>		<b>119,674</b>	<b>170,258</b>
<b>Industrials (8.7%)</b>			
3M Company	14,375	3,343	2,082
A.O. Smith Corporation	2,830	223	309
Allegion PLC	2,574	331	432
American Airlines Group Inc.	16,108	567	293
AMETEK, Inc.	5,101	714	1,115
Automatic Data Processing, Inc.	10,422	2,001	3,217
Axon Enterprise, Inc.	1,754	528	600
Broadridge Financial Solutions, Inc.	2,996	497	817
Builders FirstSource, Inc.	3,068	667	679
C.H. Robinson Worldwide, Inc.	2,854	316	327
Carrier Global Corporation	21,285	718	1,620
Caterpillar Inc.	12,952	2,342	5,074
Ceridian HCM Holding Inc.	3,830	405	341
Cintas Corporation	2,101	726	1,678
Copart, Inc.	22,656	800	1,471
CSX Corporation	49,061	1,394	2,254
Cummins Inc.	3,778	906	1,199
Deere & Company	6,876	1,564	3,643
Delta Air Lines, Inc.	16,657	1,003	888
Dover Corporation	3,609	429	736
Eaton Corporation PLC	9,849	1,256	3,143
Emerson Electric Co.	14,424	1,301	1,860
Equifax Inc.	3,048	615	999
Expeditors International of Washington, Inc.	3,419	375	576
Fastenal Company	14,215	646	1,220
FedEx Corporation	5,811	1,517	1,948
Fortive Corporation	8,175	735	798
Generac Holdings Inc.	1,334	409	228
General Dynamics Corporation	5,901	1,522	2,030
General Electric Company	27,066	4,676	4,577
Honeywell International Inc.	16,710	3,452	4,643
Howmet Aerospace Inc.	9,005	331	646
Hubbell Incorporated	1,257	514	548
Huntington Ingalls Industries, Inc.	1,088	303	374
IDEX Corporation	1,954	451	562
Illinois Tool Works Inc.	7,483	1,712	2,597
Ingersoll Rand Inc.	9,665	555	990
J.B. Hunt Transport Services, Inc.	1,929	361	511
Jacobs Solutions Inc.	3,064	380	527

Percentages shown in brackets relate investments at fair value to net assets of the Fund.



# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Johnson Controls International PLC	17,200	999	1,314
L3Harris Technologies, Inc.	4,963	979	1,385
Leidos Holdings, Inc.	3,417	405	490
Lockheed Martin Corporation	5,780	2,532	3,471
Masco Corporation	5,851	349	519
Nordson Corporation	1,467	436	513
Norfolk Southern Corporation	5,592	1,153	1,752
Northrop Grumman Corporation	3,608	1,431	2,238
Old Dominion Freight Line, Inc.	2,234	655	1,200
Otis Worldwide Corporation	11,927	1,107	1,414
PACCAR Inc.	14,553	1,099	1,883
Parker-Hannifin Corporation	3,282	932	2,004
Paychex, Inc.	8,446	908	1,333
Paycom Software, Inc.	1,190	504	326
Pentair Public Limited Company	4,171	317	402
Quanta Services, Inc.	3,553	409	1,016
Republic Services, Inc.	5,087	702	1,112
Robert Half Inc.	2,518	242	293
Rockwell Automation, Inc.	2,798	695	1,151
Rollins, Inc.	6,973	329	403
RTX Corporation	36,473	3,693	4,066
Snap-on Incorporated	1,483	344	568
Southwest Airlines Co.	14,706	903	563
Stanley Black & Decker, Inc.	3,835	709	499
Textron Inc.	4,778	317	509
The Boeing Company	14,218	4,259	4,911
Trane Technologies PLC	5,744	862	1,856
TransDigm Group Incorporated	1,405	802	1,883
Uber Technologies, Inc.	51,674	4,277	4,216
Union Pacific Corporation	15,503	3,175	5,046
United Airlines Holdings, Inc.	8,610	710	471
United Parcel Service, Inc. Cl. B	18,492	3,168	3,853
United Rentals, Inc.	1,647	583	1,251
Veralto Corporation	5,255	336	573
Verisk Analytics, Inc. Cl. A	3,458	608	1,094
W.W. Grainger, Inc.	1,101	557	1,209
Waste Management, Inc.	9,386	1,432	2,227
Westinghouse Air Brake Technologies Corporation	4,080	417	686
Xylem, Inc.	6,070	631	920
<b>Total for Industrials</b>		<b>84,551</b>	<b>118,172</b>
<b>Information Technology (28.7%)</b>			
Accenture PLC Cl. A	15,867	3,898	7,378
Adobe Inc.	11,561	3,963	9,139
Advanced Micro Devices, Inc.	40,628	2,597	7,936
Akamai Technologies, Inc.	3,626	374	569
Amphenol Corporation Cl. A	15,264	1,014	2,005
Analog Devices, Inc.	12,721	1,746	3,347
ANSYS, Inc.	2,211	503	1,063
Apple Inc.	370,474	35,099	94,512
Applied Materials, Inc.	21,304	1,632	4,575
Arista Networks, Inc.	6,350	715	1,982
Autodesk, Inc.	5,489	1,106	1,771
Broadcom Inc.	11,135	5,620	16,470
Cadence Design Systems, Inc.	6,924	824	2,499

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
CDW Corporation	3,563	621	1,073
Cisco Systems, Inc.	103,187	5,664	6,907
Cognizant Technology Solutions Corp. Cl. A	12,399	1,045	1,241
Corning Incorporated	20,903	886	843
Enphase Energy, Inc.	3,408	829	597
EPAM System, Inc.	1,396	1,030	550
F5, Inc.	1,198	255	284
Fair Isaac Corporation	646	581	996
First Solar, Inc.	2,644	581	604
Fortinet, Inc.	16,343	479	1,267
Gartner, Inc.	1,970	402	1,178
Gen Digital Inc.	15,567	523	471
Hewlett Packard Enterprise Company	34,745	668	782
HP Inc.	24,450	719	975
Intel Corporation	106,355	5,671	7,082
International Business Machines Corporation	23,529	4,457	5,099
Intuit Inc.	7,081	2,629	5,864
Jabil Inc.	3,200	569	540
Juniper Networks, Inc.	8,872	339	347
Keysight Technologies, Inc.	4,326	522	912
KLA Corporation	3,467	784	2,670
Lam Research Corporation	3,315	1,069	3,440
Microchip Technology Incorporated	13,879	907	1,658
Micron Technology, Inc.	27,323	1,581	3,090
Microsoft Corporation	188,339	35,556	93,844
Monolithic Power Systems	1,200	631	1,003
Motorola Solutions, Inc.	4,316	805	1,791
NetApp, Inc.	5,408	467	632
NVIDIA Corporation	62,517	7,176	41,023
NXP Semiconductors NV	6,547	1,647	1,992
ON Semiconductor Corporation	10,811	782	1,197
Oracle Corporation	40,606	3,183	5,673
Palo Alto Networks, Inc.	7,832	2,563	3,060
PTC Inc.	3,199	557	742
Qorvo, Inc.	1,767	220	264
QUALCOMM Incorporated	28,213	3,040	5,407
Roper Technologies, Inc.	2,794	1,186	2,018
Salesforce, Inc.	24,626	4,827	8,586
Seagate Technology Holdings Public Limited Company	5,004	393	566
ServiceNow, Inc.	5,183	2,482	4,852
Skyworks Solutions, Inc.	3,971	560	592
Synopsys Inc.	3,854	892	2,629
TE Connectivity Limited	7,823	946	1,456
Teledyne Technologies Inc.	1,167	566	690
Teradyne, Inc.	3,360	375	483
Texas Instruments Incorporated	23,464	3,716	5,300
Trimble Inc.	5,833	517	411
Tyler Technologies, Inc.	1,071	523	593
VeriSign, Inc.	2,459	507	671
Western Digital Corporation	7,596	656	527
Zebra Technologies Corporation Cl. A	1,193	459	432
<b>Total for Information Technology</b>		<b>167,134</b>	<b>388,150</b>
<b>Materials (2.4%)</b>			
Air Products and Chemicals, Inc.	5,778	1,461	2,096

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Albemarle Corporation	2,953	565	565
Amcor PLC	50,971	769	651
Avery Dennison Corporation	2,030	320	544
Ball Corporation	7,961	545	607
Celanese Corporation Series A	2,800	379	577
CF Industries Holdings, Inc.	4,994	280	526
Corteva, Inc.	17,850	894	1,134
Dow Inc.	19,898	1,565	1,446
DuPont de Nemours, Inc.	10,558	1,132	1,076
Eastman Chemical Company	3,357	389	400
Ecolab Inc.	6,389	1,298	1,679
FMC Corporation	3,129	353	261
Freeport-McMoRan Inc.	34,446	829	1,943
International Flavors & Fragrances Inc.	6,592	1,055	707
International Paper Company	9,288	567	445
Linde Public Limited Company	12,264	3,132	6,674
LyondellBasell Industries NV Cl. A	7,523	887	948
Martin Marietta Materials, Inc.	1,481	449	979
Newmont Corporation	28,445	1,558	1,560
Nucor Corporation	5,865	718	1,353
Packaging Corporation of America	2,362	371	510
PPG Industries, Inc.	5,961	948	1,181
Steel Dynamics, Inc.	3,588	512	562
The Mosaic Company	8,070	321	382
The Sherwin-Williams Company	6,013	1,192	2,485
Vulcan Materials Co.	3,189	540	959
WestRock Company	6,260	348	344
<b>Total for Materials</b>		<b>23,377</b>	<b>32,594</b>
<b>Real Estate (2.5%)</b>			
Alexandria Real Estate Equities, Inc.	3,963	717	666
American Tower Corporation	11,808	2,859	3,378
AvalonBay Communities, Inc.	3,638	932	902
Boston Properties, Inc.	4,000	596	372
Camden Property Trust	2,762	541	363
CBRE Group, Inc. Cl. A	7,085	531	874
CoStar Group, Inc.	10,199	958	1,181
Crown Castle, Inc.	11,081	1,866	1,691
Digital Realty Trust, Inc.	7,697	1,257	1,373
Equinix, Inc.	2,367	1,648	2,526
Equity Residential	8,837	811	716
Essex Property Trust, Inc.	1,627	553	535
Extra Space Storage Inc.	5,459	883	1,160
Federal Realty Investment Trust	2,308	352	315
Healthpeak Properties, Inc.	15,672	643	411
Host Hotels & Resorts, Inc.	15,988	374	412
Invitation Homes Inc.	14,229	690	643
Iron Mountain Incorporated	8,246	426	765
Kimco Realty Corporation	16,382	422	463
Mid-America Apartment Communities, Inc.	2,991	504	533
Prologis, Inc.	23,454	2,513	4,143
Public Storage	4,140	1,308	1,673
Realty Income Corporation	19,992	1,704	1,521
Regency Centers Corp.	4,540	364	403
SBA Communications Corporation	2,658	779	893

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Schedule of Investment Portfolio as at December 31, 2023

(in \$000's except for number of shares)

	Number of Shares	Average Cost (\$)	Fair Value (\$)
Simon Property Group, Inc.	8,745	1,788	1,653
UDR, Inc.	8,692	499	441
Ventas, Inc.	10,148	773	670
VICI Properties Inc.	30,904	1,276	1,305
Welltower Inc.	13,952	1,403	1,667
Weyerhaeuser Company	17,812	736	821
<b>Total for Real Estate</b>		<b>30,706</b>	<b>34,469</b>
<b>Utilities (2.4%)</b>			
Alliant Energy Corporation	6,265	400	426
Ameren Corporation	6,593	636	632
American Electric Power Company, Inc.	14,042	1,488	1,511
American Water Works Company, Inc.	4,472	695	782
Atmos Energy Corporation	3,456	477	531
CenterPoint Energy, Inc.	15,148	572	574
CMS Energy Corporation	8,144	595	627
Consolidated Edison, Inc.	8,919	972	1,075
Constellation Energy Corporation	7,864	465	1,218
Dominion Energy, Inc.	21,384	2,164	1,332
DTE Energy Company	5,115	693	747
Duke Energy Corporation	20,082	2,376	2,582
Edison International	10,602	964	1,004
Entergy Corporation	5,794	741	777
Energy, Inc.	6,685	513	462
Eversource Energy	9,110	893	745
Exelon Corporation	25,188	1,097	1,198
FirstEnergy Corp.	15,571	774	756
NextEra Energy, Inc.	51,678	3,542	4,159
NiSource Inc.	12,709	439	447
NRG Energy, Inc.	5,606	212	384
PG&E Corporation	51,169	980	1,223
Pinnacle West Capital Corporation	3,294	340	314
PPL Corp.	17,483	711	628
Public Service Enterprise Group Incorporated	12,646	877	1,025
Sempra	16,033	1,375	1,588
The AES Corporation	17,044	351	435
The Southern Company	28,580	2,223	2,655
WEC Energy Group, Inc.	7,856	836	876
Xcel Energy Inc.	14,120	1,058	1,158
<b>Total for Utilities</b>		<b>29,459</b>	<b>31,871</b>
<b>Total for Foreign Equities (99.2%)</b>		<b>861,957</b>	<b>1,342,782</b>
<b>Total for Investments (99.2%)</b>		<b>\$861,957</b>	<b>\$1,342,782</b>
<b>Cash and Other Net Assets (0.8%)</b>			<b>11,246</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units (100.0%)</b>			<b>\$1,354,028</b>

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MDPIM S&P 500 Index Pool

## Fund Specific Notes

(in \$000's)

### Financial Instruments

MDPIM S&P 500 Index Pool (the "Fund") invests in foreign equities as shown in the Schedule of Investment Portfolio. These investments expose the Fund to risks associated with financial instruments. The Fund's exposure and sensitivity to these risks are presented below. A description of the risks and how the Fund manages these risks is discussed in Note 8 of the Notes to the Financial Statements.

### Credit Risk

As at December 31, 2023 and December 31, 2022, the Fund does not have significant investments in debt or derivative instruments and therefore, does not have exposure to credit risk.

### Currency Risk

Exposures to foreign currencies as at December 31, 2023 and December 31, 2022 are presented in the table below.

Currency	Cash and Other Net Assets Attributable to Holders of				% of Net Assets Attributable to Holders of Redeemable Units
	Redeemable Units	Investments at Fair Value	Derivative Exposure	Net Currency Exposure	
<b>December 31, 2023</b>					
U.S. Dollar	\$ 5,642	\$ 1,342,782	\$ 1,612	\$ 1,350,036	99.7%
<b>Total</b>	<b>\$ 5,642</b>	<b>\$ 1,342,782</b>	<b>\$ 1,612</b>	<b>\$ 1,350,036</b>	<b>99.7%</b>
<b>December 31, 2022</b>					
U.S. Dollar	\$ 6,753	\$ 1,229,992	\$ -	\$ 1,236,745	99.6%
<b>Total</b>	<b>\$ 6,753</b>	<b>\$ 1,229,992</b>	<b>\$ -</b>	<b>\$ 1,236,745</b>	<b>99.6%</b>

As at December 31, 2023, if the Canadian Dollar had strengthened against all other currencies by 10%, the Net Assets Attributable to Holders of Redeemable Units of the Fund could have decreased by approximately \$135,004 or 10.0% of Net Assets Attributable to Holders of Redeemable Units (December 31, 2022 - \$123,675 or 10.0%). Conversely, had the Canadian Dollar weakened against all other currencies by 10%, the Net Assets Attributable to Holders of Redeemable Units of the Fund could have increased by approximately \$135,004 or 10.0% of Net Assets Attributable to Holders of Redeemable Units (December 31, 2022 - \$123,675 or 10.0%). These sensitivities are estimates. Actual results may vary and the variance may be material.

### Interest Rate Risk

The majority of the Fund's financial assets are non-interest bearing. The maturity dates of the interest-bearing assets held by the Fund are less than one year. Therefore, the Fund's exposure to interest rate risk is not significant.

### Liquidity Risk

The Fund's financial liabilities are all due within one year. Redeemable units are redeemable on demand at the holder's option; however, the Fund does not expect the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

### Other Price Risk

As at December 31, 2023, 99.2% (December 31, 2022 - 99.1%) of the Fund's Net Assets Attributable to Holders of Redeemable Units were invested in equity financial instruments traded in active markets. If prices of securities traded on these markets decrease by 10%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units could fall by approximately \$134,278 (December 31, 2022 - \$122,999). Conversely, if prices increase by 10%, Net Assets Attributable to Holders of Redeemable Units could rise by approximately \$134,278 (December 31, 2022 - \$122,999). These sensitivities are estimates. Actual results may vary and the variance may be significant.

### Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category. The following table summarizes the Fund's concentration risk as a percentage of Net Assets Attributable to Holders of Redeemable Units:

Market Segment	December 31, 2023	December 31, 2022
<b>Foreign Equities</b>		
Communication Services	8.5%	-
Consumer Discretionary	10.8%	12.6%
Consumer Staples	5.9%	6.3%
Energy	3.8%	5.2%
Financials	12.9%	15.6%
Health Care	12.6%	13.8%
Industrials	8.7%	10.4%
Information Technology	28.7%	27.8%
Materials	2.4%	2.8%
Real Estate	2.5%	-
Telecommunication Services	-	1.4%
Utilities	2.4%	3.2%
<b>Cash and Other Net Assets (Liabilities)</b>	<b>0.8%</b>	<b>0.9%</b>
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

# MDPIM S&P 500 Index Pool

## Fund Specific Notes

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(in \$000's)

### Fair Value Hierarchy

The following is a summary of the Fund's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Fund's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total*
<b>December 31, 2023</b>			
Foreign Equities	\$ 1,342,782	\$ -	\$ 1,342,782
<b>Total</b>	\$ 1,342,782	\$ -	\$ 1,342,782
<b>December 31, 2022</b>			
Foreign Equities	\$ 1,229,992	\$ -	\$ 1,229,992
<b>Total</b>	\$ 1,229,992	\$ -	\$ 1,229,992

\*The Fund does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2023 to December 31, 2023 and January 1, 2022 to December 31, 2022.

# MDPIM S&P 500 Index Pool

## Fund Specific Notes

### Redeemable Unit Transactions

for the years ended December 31

	2023	2022
<b>SERIES A</b>		
Outstanding, beginning of year	72,459,704	71,938,224
Issued	12,241,969	21,742,659
Redeemed	(21,812,073)	(21,221,179)
<b>Outstanding, end of year</b>	<b>62,889,600</b>	<b>72,459,704</b>

<b>SERIES F</b>		
Outstanding, beginning of year	4,706,354	3,667,352
Issued	2,711,879	1,741,974
Redeemed	(890,752)	(702,972)
<b>Outstanding, end of year</b>	<b>6,527,481</b>	<b>4,706,354</b>

### Securities on Loan

(in \$000's)	December 31, 2023	December 31, 2022
Fair value of securities loaned	\$ 26,818	\$ 16,380
Fair value of collateral (non-cash)	\$ 28,186	\$ 17,216

State Street Bank and Trust Co. is entitled to receive payments out of the gross amount generated from the securities lending transactions of the Fund and bears all operational costs directly related to securities lending as well as the cost of borrower default indemnification.

The table below sets out a reconciliation of the gross amount generated from the securities lending transactions of the Fund to the revenue from securities lending disclosed under securities lending income in the Fund's Statements of Comprehensive Income.

for the years ended December 31 (in \$000's)	2023	2022
Gross amount generated from the securities lending transactions	\$ 19	\$ 14
Amounts paid to State Street Bank and Trust Co.	\$ (4)	\$ (3)
Net securities lending income as reported in the Statements of Comprehensive Income	\$ 15	\$ 11

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

## 1. Name and formation of the Funds

### ESTABLISHMENT OF THE FUNDS

The MDPIIM Pooled Funds (individually a “Fund” and collectively the “Funds”) are unincorporated mutual fund trusts formed under the laws of the province of Ontario pursuant to the Declarations of Trust, and the creation dates are as follows:

	Series A Units	Private Trust Units	Series D Units	Series I Units	Series F Units
MDPIIM Short-Term Bond Pool	December 6, 2002				
MDPIIM Bond Pool	March 24, 2010				
MDPIIM Dividend Pool	January 4, 2007				
MDPIIM Strategic Yield Pool	January 23, 2013				
MDPIIM Canadian Equity Pool	June 16, 1999	August 9, 2000			
MDPIIM US Equity Pool	August 6, 1999	August 9, 2000			
MDPIIM International Equity Pool	December 6, 2002				
MDPIIM Strategic Opportunities Pool	January 23, 2013				
MDPIIM Emerging Markets Equity Pool	April 11, 2014		March 19, 2018	March 19, 2018	March 19, 2018
MDPIIM S&P/TSX Capped Composite Index Pool	March 20, 2017				November 21, 2017
MDPIIM S&P 500 Index Pool	March 20, 2017				November 21, 2017
MDPIIM International Equity Index Pool	March 20, 2017				November 21, 2017

On June 14, 2019, the name of MDPIIM Canadian Bond Pool was changed to MDPIIM Short-Term Bond Pool and MDPIIM Canadian Long Term Bond Pool was changed to MDPIIM Bond Pool.

MD Financial Management Inc. (“the Manager”) is the Manager and Trustee of the Funds. The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia (“Scotiabank”). The address of the Funds’ registered office is 1870 Alta Vista, Ottawa, Ontario.

The financial statements of the Funds include the Statements of Financial Position as of December 31, 2023 and December 31, 2022, as applicable, and the Statements of Comprehensive Income, the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units or Shares and the Statements of Cash Flows for the periods ended December 31, 2023 and 2022, except for Funds established during either period, in which case the information provided relates to the period from creation date to December 31, 2023 or 2022. The Schedule of Investment Portfolio for each of the Funds is at December 31, 2023.

These financial statements were authorized for issue by the Manager on March 11, 2024.

### SERIES OF UNITS

All MDPIIM Pooled Funds offer either “Private Trust Series” or “Series A” units which may be purchased by either MD Private Investment Counsel (an operating division of MD Financial Management Inc.) or MD Private Trust Company clients who have appointed MD Private Investment Counsel to provide discretionary portfolio management services and advice to them or MD Private Trust Company to provide trust services.

The MDPIIM Canadian Equity Pool and MDPIIM US Equity Pool “Series A” units are available to all qualified investors. These units are closed to new subscribers. Investors holding “Series A” units of these Funds are allowed to hold their units, as well as subscribe for additional “Series A” units of the Funds.

“Series D” units are available to qualified investors who acquire securities through an order execution only trading platform approved by MD Management Limited.

“Series F” units are available to all MD Management Ltd. clients who are qualified eligible investors and who have a fee-based account with MD Management Ltd.

“Series I” units were established to support the MD Precision Conservative Portfolio, the MD Precision Moderate Balanced Portfolio, the MD Precision Balanced Growth Portfolio, the MD Precision Maximum Growth Portfolio, the MD Precision Balanced Income Portfolio and the MD Precision Moderate Growth Portfolio. These units are only available to the six Funds listed above and certain institutional investors, and are not charged management fees.

## 2. Basis of presentation

These financial statements have been prepared in compliance with IFRS Accounting Standards. The preparation of these financial statements in accordance with IFRS Accounting Standards requires the use of judgment in applying accounting policies and to make estimates and assumptions concerning the future. Significant accounting judgments and estimates made by the Manager are disclosed in Note 7.



# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

## 3. Material accounting policy information

### FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Canadian dollars, which is the Funds' functional currency. Cash, investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on each valuation date. Transactions during the year in currencies other than Canadian dollars are translated into Canadian dollars at the rate of exchange prevailing on the trade date of the transaction. The difference in the foreign exchange rate between trade date and settlement date of a transaction is recognized in income on the Statements of Comprehensive Income. Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" and those relating to other financial assets and liabilities are presented within net gains or losses on the sale of investments or derivatives.

All financial information is presented in Canadian dollars and has been rounded to the nearest thousand, unless otherwise stated.

### FINANCIAL INSTRUMENTS

The Funds classify and measure financial instruments in accordance with IFRS 9 "Financial Instruments" (IFRS 9). All financial assets and liabilities are recognized in the Statements of Financial Position when the Funds become party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all the risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

The Funds classify investments, including derivatives, as fair value through profit or loss (FVTPL). Investment classification is based on both the Funds' business model for managing those investments and their contractual cash flow characteristics. The portfolio of investments is managed and performance is evaluated on a fair value basis in accordance with the Funds' investment strategy. The Funds are primarily focused on fair value information and use that information to assess performance and to make decisions. The contractual cash flows of the Funds' debt securities are generally principal and interest, however, the collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at FVTPL. Subsequent to initial recognition, investments, including derivatives, are measured at FVTPL. Gains and losses arising from changes in the fair value are included in the Statements of Comprehensive Income for the years in which they arise.

The Funds' obligation for net assets attributable to holders of redeemable units is measured at FVTPL, with fair value being the redemption amount at the reporting date.

Cash is measured at fair value upon recognition and subsequently at amortized cost.

Other financial assets and liabilities, such as accrued interest and dividends receivable, accounts receivable for investment transactions, subscriptions receivable, amounts receivable for securities lending transactions, distributions payable, accounts payable for investment transactions and redemptions payable are recognized initially at fair value, net of transaction costs, and subsequently stated at amortized cost using the effective interest rate method. Under this method, these financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contracts' effective interest rate.

### NET ASSETS VERSUS NET ASSET VALUE

The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring the net asset value (NAV) for transactions with unitholders in accordance with Part 14 of National Instruments 81-106 Investment Funds for Continuous Disclosure ("NI 81-106").

### INCOME RECOGNITION

Gains and losses arising from changes in fair value of non-derivative financial assets are shown in the Statements of Comprehensive Income as "Change in unrealized appreciation (depreciation) of investments" and as "Net realized gain (loss) on sale of investments" when positions are sold.

Gains and losses arising from changes in fair value of derivatives are shown in the Statements of Comprehensive Income as "Change in unrealized appreciation (depreciation) on derivative instruments" and as Net realized gain (loss) on derivative instruments" when positions are closed out or have expired, where applicable.

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds, accounted for on an accrual basis. Dividend income and distributions to unitholders are recorded on the ex-dividend date. Distributions from underlying funds out of interest, foreign income and related withholding taxes, Canadian dividends and net realized capital gains are recognized when declared. Realized gains or losses from investment transactions and the unrealized appreciation or depreciation of investments are computed on an average cost basis, which exclude brokerage commissions and other trading expenses. Brokerage commissions and other trading expenses are charged to income as incurred.

### OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when the Funds currently have a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Financial assets and liabilities that are subject to master netting or comparable agreements and the related potential effect of offsetting are disclosed in the respective Fund Specific Notes.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

Transactions with counterparties are governed by separate master netting agreements. Each agreement allows for net settlement of certain open contracts where the Fund and respective counterparty both elect to settle on a net basis. In the absence of such an election, contracts will be settled on a gross basis. However, each party to the master netting agreement will have the option to settle all open contracts on a net basis in the event of default of the other party.

## NON-CASH TRANSACTIONS

Non-cash transactions on the Statements of Cash Flows include reinvested distributions from the underlying mutual funds and stock dividends from equity investments. These amounts represent non-cash income recognized in the Statements of Comprehensive Income. In addition, reclassifications between series of the same fund are also non-cash in nature and have been excluded from "Proceeds from issue of redeemable units" and "Cash paid on redemption of redeemable units" on the Statements of Cash Flows.

## 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. Investments are categorized as FVTPL and are recorded at fair value. In the case of securities traded in an active market, fair value is based on quoted market prices at the close of trading on the reporting date as provided by independent pricing services. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within the day's bid-ask spread. In circumstances 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. In the case of investments not traded in an active market, or for those securities for which the Manager feels the latest market prices are not reliable, fair value is estimated based on valuation techniques established by the Manager. Valuation techniques established by the Manager are based on observable market data except in situations where there is no relevant or reliable market data. The value of securities estimated using valuation techniques not based on observable market data, if any, is disclosed in the Financial Instruments Risks section of the financial statements.

## FINANCIAL DERIVATIVES INSTRUMENTS

A derivative is a financial contract between two parties, the value of which is derived from the value of an underlying asset such as an equity, bond, commodity, interest rate or currency. Certain Funds may use derivatives, such as options, futures, forward contracts, swap contracts, and other similar instruments, in a manner considered appropriate to achieving the Fund's investment objectives. Derivatives may be used to protect a security price, currency exchange rate or interest rate from negative changes (hedging) or to provide exposure to securities, indices, or currencies without investing in them directly (non-hedging). Derivatives contain various risks including the potential inability for the counterparty to fulfil their obligations under the terms of the contract, the potential for illiquid markets and the potential price risk which may expose the Funds to gains and/or losses in excess of the amounts shown on the Statements of Financial Position. Derivatives with unrealized gains are reported as financial derivative instruments under current assets and derivatives with unrealized losses are reported as financial derivative instruments under current liabilities.

## Forward Currency Contracts

Certain Funds may enter into forward currency contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities. A forward currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. Investments in forward currency contracts are entered into with approved counterparties and are recorded at fair value. The fair value of a forward currency contract fluctuates with changes in foreign currency exchange rates. The fair value of forward currency contracts is reported as financial derivative instruments in the Statements of Financial Position. Forward currency contracts are marked to market daily and the changes in fair value of forward currency contracts are recorded in "Change in unrealized appreciation (depreciation) of derivative instruments". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on sale of derivative instruments". The contractual amounts of open contracts are disclosed in the Schedule of Investment Portfolio in the Schedule of Derivative Instruments.

## Futures Contracts

Futures contracts are valued on each valuation day using the closing market price posted on the related public exchange. The fair value of future contracts is reported as "Financial Derivative Instruments" in the Statements of Financial Position. All gains or losses arising from futures contracts are recorded as part of "Change in unrealized appreciation (depreciation) of derivative instruments" in the Statements of Comprehensive Income until the contracts are closed out or expire, at which time the gains or losses are realized and reported as "Net realized gain (loss) on derivative instruments".

## Credit Default Swaps

Certain Funds may enter into credit default swap contracts, primarily to manage and/or gain exposure to credit risk where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities. A credit default swap is an agreement between the Fund and a counterparty whereby the buyer of the contract receives credit protection and the seller of the contract guarantees the credit worthiness of a referenced debt obligation. The underlying referenced debt obligation may be a single issuer of corporate or sovereign debt, a credit index, or a tranche of a credit index. The credit risk exposure of a Fund to the referenced asset is comparable to the exposure that would have resulted if the Fund were invested directly in the referenced debt obligation. If the Funds are buyers of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Funds will either (i) receive the notional amount of the credit default swap contract from the seller in exchange for the referenced debt obligation or (ii) receive a net settlement amount equal to the notional amount of the credit default swap contract less the recovery amount of value of the referenced debt obligation. If the Funds are sellers of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Funds will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The maximum credit risk to the Fund as a seller of protection is the notional amount of the contract.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

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Over the term of the contract, the buyer pays the seller a periodic stream of payments, provided that no event of default has occurred. Such periodic payments paid or received are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. Credit Default Swaps are disclosed in the Schedule of Derivative Instruments. The change in value of a credit default swap contract and any upfront premium paid or received is included in the Statements of Financial Position as Financial Derivative Instruments. When the credit default swap contracts are closed out, gains or losses, including upfront premiums, are realized and included in the Statements of Comprehensive Income in "Net realized gain (loss) on derivative instruments". Pursuant to the terms of the credit default swap contract, cash or securities may be required to be deposited as collateral.

## **Interest Rate Swaps**

Certain Funds may enter into interest rate swap contracts, primarily to manage and/or gain exposure to fluctuations in interest rates. An interest rate swap is an agreement between the Fund and a counterparty whereby the parties agree to exchange a fixed payment for a floating payment that is linked to an interest rate and an agreed upon notional amount.

Over the term of the contract, each party will pay to the other party a periodic stream of payments. Such periodic payments paid or received are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. Interest Rate Swaps are disclosed in the Schedule of Derivative Instruments. The change in value of an interest rate swap contract and any upfront premium paid or received is included in the Statements of Financial Position as Financial Derivative Instruments. When the interest rate swap contracts are closed out, gains or losses, as well as any upfront premiums, are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **Total Return Swaps**

Certain Funds may enter into total return swap contracts primarily to manage and/or gain exposure to the underlying reference asset. An total return swap is an agreement between the Fund and a counterparty where single or multiple cash flows are exchanged based on the price of an underlying reference asset and based on a fixed or variable rate.

Over the term of the contract, the Funds will pay to the counterparty a periodic stream of payments based on fixed or variable rate. Such periodic payments paid are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. At the maturity date, a net cash flow is exchanged where the total return is equivalent to the return of the underlying reference asset less a financing rate, if any. As a receiver, the Funds would receive payments based on any net positive total return and would owe payments in the event of a net negative total return. Total return swaps are disclosed in the Schedule of Derivative Instruments. The change in value of an total return swap contract is included in the Statements of Financial Position as Financial Derivative Instruments. When the total return swap contracts are closed out, gains or losses are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **Cross Currency Swaps**

Certain Funds may enter into cross currency swap contracts, primarily to manage and/or gain exposure to currency risk. A cross currency swap is an agreement between the Fund and a counterparty whereby the parties agree to exchange interest payments and principal on loans denominated in two different currencies.

Over the term of the contract, each party will pay to the other party a periodic stream of payments. Such periodic payments paid or received are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. Cross currency swaps are disclosed in the Schedule of Derivative Instruments. The change in value of a cross currency swap contract and any upfront premium paid or received is included in the Statements of Financial Position as Financial Derivative Instruments. When the cross currency swap contracts are closed out, gains or losses, as well as any upfront premiums, are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **Foreign Currency Option Contracts**

Certain Funds may purchase foreign currency options. Purchasing foreign currency options gives the Fund the right, but not the obligation to buy or sell the currency and will specify the amount of currency and a rate of exchange that may be exercised by a specified date. These options may be used as a hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

Foreign currency option contracts are disclosed in the Schedule of Derivative Instruments. The change in value of a foreign currency option contract and any premiums paid are included in the Statements of Financial Position as Financial Derivative Instruments. When the foreign currency option contracts are closed out, gains or losses, as well as any premiums paid, are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **CAPITAL RISK MANAGEMENT**

Units issued and outstanding are considered to be the capital of the Funds. The Funds do not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription. The Funds' units are offered for sale on any business day and may be redeemed or issued at the Net Asset Value (NAV) per unit for the respective series on that business day. A business day refers to any day the Toronto Stock Exchange is open for business. The NAV for each series is computed daily by calculating the value of that series' proportionate share of net assets and liabilities of the Fund common to all series less liabilities attributable to that series. Expenses directly attributable to a series are charged to that series. Assets, common liabilities, revenues and other expenses are allocated proportionately to each series based upon the relative NAVs of each series. The NAV per unit is determined by dividing the NAV of each series of a Fund by the total number of units of that series outstanding.

## **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" in the Statements of Comprehensive Income represents the increase or decrease in net assets attributable to holders of redeemable units attributable to each series of units for the year, divided by the weighted average units outstanding in that series during the year.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

## SECURITIES LENDING TRANSACTIONS

A Fund may lend portfolio securities to earn additional income through a securities lending agreement with its custodian. The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund receives collateral in the form of securities deemed acceptable under National Instrument 81-102, "Mutual Funds" ("NI81-102") of at least 102% of the fair value of securities on loan. Collateral held is typically government and corporate bonds.

Income from securities lending is recorded as "Securities lending" on a monthly basis when it is receivable. Securities lending details are listed in Securities on Loan included in the Fund Specific Notes. The securities lending agent earns 20% of the gross income generated through any securities lending transactions in the Funds.

## REDEEMABLE UNITS

Certain Funds issue different series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Funds at any date for cash equal to a proportionate share of the Funds' net asset value attributable to the series. The redeemable units are carried at the redemption amount that is payable at the Statements of Financial Position date if the holder exercises the right to put the unit back to the Funds. Funds with only one series do not meet the criteria to be classified as equity as they impose on the Fund the obligation to deliver cash other than on redemption. Each such Fund must distribute its taxable income to unitholders annually and has provided unitholders the option to receive such distributions in cash.

## INVOLVEMENT IN UNCONSOLIDATED STRUCTURED ENTITIES

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.

Certain Funds' investment strategy entails trading in other funds on a regular basis. The Funds consider all of their investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Funds invest in Investee Funds whose objectives range from conserving principal to maximizing dividend income to long-term capital growth and whose investment strategies do not include leverage. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective Investee Fund's net assets. The Funds hold redeemable units in each of their Investee Funds and the Funds have the right to request redemption of their investment in Investee Funds daily. The Funds' investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation. The change in fair value of each Investee Fund is included in the Statements of Comprehensive Income in "Change in unrealized appreciation (depreciation) of investments". The Funds' maximum exposure to loss from their interest in Investee Funds is equal to the fair value of their investments in Investee Funds. Once a Fund has disposed of its shares in an Investee Fund the Fund ceases to be exposed to any risk from that investee fund.

Certain Funds invest in Exchange Traded Funds ("ETFs") which are disclosed on the Schedule of Investment Portfolio and these Funds have determined that their investments in such ETFs are deemed unconsolidated structured entities. These ETFs replicate, to the extent possible, the performance of the applicable benchmark indices, or seek to provide long-term capital growth or income, as applicable, by investing primarily in and holding the constituent securities of the applicable benchmark indices in substantially the same proportion as they are reflected in the applicable benchmark indices or seek to track the investment results of applicable benchmark indices. The ETFs 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 ETF's net asset value. The underlying ETFs are listed on a recognized public stock exchange.

Certain Funds invest in mortgage-related and other asset-backed securities ("MBS"). These securities include mortgage pass-through securities, collateralized mortgage obligations, commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The debt and equity securities issued by these securities may include tranches with varying levels of subordination. These securities may provide a monthly payment which consists of both interest and principal payments. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans. The Funds' maximum exposure to loss from their interest in MBS is equal to the fair value of their investments in such securities as disclosed on the Schedule of Investment Portfolio.

A table has been included in the Fund Specific Notes section of the financial statements which describes the types of structured entities that the Funds do not consolidate but in which they hold an interest.

## CHANGES IN ACCOUNTING POLICIES

The funds adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The Manager reviewed the accounting policies and made updates to the information disclosed within Note 3 in certain instances in line with the amendments.

## 4. Expenses

### MANAGEMENT FEES AND INVESTMENT ADVISORY SURCHARGE

Certain series of the Funds pay the Manager a management fees. The management fees cover the cost of managing the Funds, arranging for investment analysis, recommendations and investment decision making for the Funds, arranging for distribution of the Funds, marketing and promotion of the Funds and providing or arranging for others services for the Funds. The management fee is an annualized rate based on the net asset value of each series of the Funds. The management fees paid by the Funds are calculated and accrued daily and payable weekly.



# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

No management fee is charged by Manager of the Funds in respect of: all units of MDPI International Equity Pool, MDPI Short-Term Bond Pool, MDPI Bond Pool, MDPI Dividend Pool, MDPI Strategic Opportunities Pool, MDPI Global Tactical Opportunities Pool and MDPI Strategic Yield Pool; the Private Trust Series of MDPI Canadian Equity Pool and MDPI US Equity Pool; and Series A of MDPI S&P/TSX Capped Composite Index Pool, MDPI S&P 500 Index Pool, MDPI International Equity Index Pool and MDPI Emerging Markets Equity Pool, since investors in these units and series of units have agreed to pay a separate scaled managed account fee based on assets under management directly to MD Private Investment Counsel. The maximum fee is 1.56%.

The following series of Funds pay the Manager an annual management fee, exclusive of sales taxes, as follows:

Fund	Series A	Series D	Series F	Private Trust Units
MDPI Canadian Equity Pool	1.25%	n/a	n/a	-
MDPI US Equity Pool	1.25%	n/a	n/a	-
MDPI Emerging Markets Equity Pool	0.40%	1.08%	0.71%	n/a
MDPI S&P/TSX Capped Composite Index Pool	-	n/a	0.04%	n/a
MDPI S&P 500 Index Pool	-	n/a	0.07%	n/a
MDPI International Equity Index Pool	-	n/a	0.19%	n/a

Series A unitholders of MDPI International Equity Pool are responsible for the payment of an Investment Advisory Surcharge charged by the Fund's advisor. The Manager absorbs a portion of this advisory fee, and as a result the Fund is responsible for the payment of a portion of the fee charged, which varies in the range of 0.20% to 0.30% of the NAV.

Series A unitholders of MDPI Emerging Markets Equity Pool are responsible for the payment of Investment Advisory Surcharge charged by the Fund's advisor. The Manager absorbs a portion of this advisory fee, and as a result the Fund is responsible for the payment of a portion of the fee charged, which varies in the range of 0.40% to 0.50% of the NAV.

## ADMINISTRATION FEES

Each Fund (except for MDPI Emerging Market Equity Pool in respect of Series I, Series F and Series D) pays for certain operating expenses as allowed by the securities regulator which relate to that particular Fund. Operating expenses include, but are not limited to, securities commission fees, audit fees, custodial fees, IRC fees and expenses, issue costs, all expenses related to the prospectus and to meetings of unitholders as well as Fund servicing costs. Operating expenses which relate to the series of units as a whole are proportionately allocated among those Funds to which they relate. The Manager of the Funds can, at any time, waive or absorb any operating expense for which the Fund is responsible.

The Manager pays certain operating expenses of the Series F and Series D units of MDPI Emerging Markets Equity Pool in return for an administration fee of 0.20%, calculated as a fixed annual percentage of the Funds' net asset value. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, audit fees, legal fees custodial fees, all expenses related to the prospectus and to meetings of unitholders, expenses related to fund accounting, fund valuation, unitholder reporting and record keeping, IRC fees and other expenses. The administration fee is accrued daily and paid monthly. No administration fee is charged in respect of Series I units of MDPI Emerging Markets Equity Pool. Administration fees for Series I units are paid directly by investors.

## AUDIT FEES

The fees paid or payable to KPMG LLP as the external auditor of all Funds managed by the Manager, for the fiscal years of the funds are as follows:

	(\$)
Audit fees	236,635
Fees for the services other than audit	26,285

## 5. Related Party Transactions

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank"). Scotiabank also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, and Scotia Capital Inc. (which includes Scotia McLeod and Scotia iTRADE), an investment dealer.

The Manager, on behalf of the Funds, may enter into transactions or arrangements with other members of Scotiabank or certain companies that are related or connected to the Manager (each a "related party"). All transactions between the Funds and the related parties are in the normal course of business and are carried out at arm's length terms.

- The Manager earns management fees for acting as trustee and manager of the Funds, as applicable and an administration fee in return for paying certain operating expenses as detailed in Note 4. Certain Funds also pay the Manager an Investment Advisory Fee Surcharge, as detailed in Note 4. The management fee, administration fee and investment advisory fee surcharge are disclosed in separate lines in the Statements of Comprehensive Income.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

- Decisions about the purchase and sale of each Fund's portfolio investments are made by appointed Portfolio Managers of each Fund. Provided that the pricing, service and other terms are comparable to those offered by other dealers, a portion of the portfolio transactions may be executed for the Funds by a related party to the Funds. In such cases, the related party will receive commissions from the Funds. Brokerage fees paid to related parties for the years ended December 31, 2023 and 2022 are as follows (in \$000's):

Fund	December 31, 2023	December 31, 2022
MDPIM Dividend Pool	70	37
MDPIM Strategic Yield Pool	8	20
MDPIM Canadian Equity Pool	290	202
MDPIM Strategic Opportunities Pool	20	6
MDPIM Emerging Markets Equity Pool	-	3
MDPIM S&P/TSX Capped Composite Index Pool	3	2
MDPIM US Equity Pool	15	41

- The Manager received approval from the Independent Review Committee to invest the Funds' overnight cash with Scotiabank with interest paid by Scotiabank to the Funds based on prevailing market rates. The interest earned by the Funds is included in "Interest for distribution purposes" in the Statements of Comprehensive Income.
- The Funds may invest in investment funds managed by the Manager, which are disclosed in the Schedule of Investment Portfolio for the respective Funds.
- The Manager has received approval from the Independent Review Committee for the Funds to purchase securities of related parties, such as investments in securities of Scotiabank. Any related party securities held by the Funds are disclosed in the Schedule of Investment Portfolio for the respective Funds. The Funds are also permitted to enter into derivative transactions with Scotiabank as counterparty.
- Distributions received from related party funds are included in "Income from Underlying Funds" in the Statements of Comprehensive Income.

## INDEPENDENT REVIEW COMMITTEE

The Manager has established an Independent Review Committee ("IRC") as required under National Instrument 81-107, "Independent Review Committee for Investment Funds" ("81-107"). The IRC reviews conflict of interest matters related to the operations of the Funds. In addition, in some circumstances, in place of obtaining unitholder approval, a Fund may be reorganized with or its assets transferred to another mutual fund managed by the Manager or an affiliate. This requires IRC approval, and that unitholders are sent a written notice at least 60 days before the effective date. The approval of the IRC is also required for a change of auditor.

The IRC is composed of four persons who are independent of the Manager, the Funds and entities related to the Manager.

The Manager pays all IRC fees on behalf of the Funds and allocates these fees equally across each Fund. The Manager recovers these costs via the administration fee charged to the Funds. For the year ended December 31, 2023, each Fund managed by the Manager paid approximately \$4,000 in IRC Fees.

## SHORT-TERM TRADING/EARLY REDEMPTION FEE

Clients who redeem or switch units or shares of an MD Fund are charged an early redemption fee equal to 2.00% of the amount redeemed or switched if the redemption or switch occurs within thirty (30) days of the date that the units or shares were purchased or switched. Redemption fees are recorded as income in the period of early redemption.

The early redemption fee does not apply to redemptions or switches:

- made in connection with any systematic and scheduled withdrawal program;
- where the amount of the redemption or switch is less than \$10,000; or
- made as a result of the recommendation of an MD Financial Consultant or MD Portfolio Manager related to a financial plan.

## 6. Redeemable units

The Funds' capital is represented by an unlimited number of authorized units without nominal or par value. All series of units are redeemable on demand by unitholders at the redemption amount represented by respective NAV of that series. Each unit entitles the unitholder to one vote at unitholder meetings and participates equally, with respect to other units of the same series, in any dividends or distributions, liquidation or other rights of that series. Distributions on units of a Fund are reinvested in additional units or at the option of the unitholder, paid in cash. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies and restrictions as outlined in the Funds' prospectus or offering documents, as applicable. The Funds have no specific restrictions or specific capital requirements on the subscription or redemption of units, other than minimum subscription requirements.

The units of each series of Funds are issued and redeemed at their net asset value per unit of each series which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The net asset value per unit is calculated by dividing the net asset value per series by the total number of outstanding units in each series. The number of units issued and redeemed are presented in the Fund Specific Notes.

## 7. 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. These estimates are based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

### INVESTMENT ENTITIES

In accordance with IFRS 10 "Consolidated Financial Statements", the Manager has determined that the Funds meet the definition of an Investment Entity which requires the Funds obtain funds from one or more investors for the purpose of providing investment management services, commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investment in subsidiaries, if any, but instead measure these at fair value through profit or loss, as required by the accounting standard.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

## FAIR VALUE MEASUREMENT OF SECURITIES AND DERIVATIVES NOT QUOTED IN AN ACTIVE MARKET

The Funds may, from time to time, hold financial instruments that are not quoted in active markets. The fair value of such securities may be determined by the Funds using reputable pricing sources or indicative prices from market makers. Broker quotes obtained from pricing sources may be indicative but not executable or binding. Where no market data is available, the Fund may value positions using internal valuation models as determined appropriate by the Manager and based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable; however, the Manager may be required to make certain assumptions and/or estimates regarding risks, volatility and correlations as required. Changes in assumptions and estimates could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

## CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS

In classifying and measuring financial instruments held by the Funds, the Manager is required to make judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Funds' business model and considered that the Funds' investments, including derivatives, are managed and performance evaluated as a group on a fair value basis. The Manager has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation for the Funds' investments.

## 8. Financial instrument risk

The Funds use financial instruments in order to achieve their respective investment objectives. The Funds' investments are presented in the respective Schedule of Investment Portfolio, which groups securities by asset type, geographic region and/or market segment.

The use of financial instruments subjects the Funds to a variety of financial instrument risks. The Funds' risk management practices include setting investment policies to limit exposures to financial instrument risks and employing experienced and professional investment advisors to invest the Funds' capital in securities within the constraints of investment policies. The Manager regularly monitors the Fund advisors' performance and compliance with the investment policies.

The significant financial instrument risks, to which the Funds are exposed, along with the specific risk management practices related to those risks, are presented below. Fund specific disclosures are presented in the "Financial Instruments Risks" section of the financial statements.

Market disruptions associated with geopolitical conflicts have had a global impact, and uncertainties exist as long as to the long-term implications. Such disruptions can adversely affect the financial instrument risks associated with the Funds.

## CREDIT RISK

Credit risk is the risk that a counterparty to a financial instrument will not honour its obligation under the terms of the instrument, resulting in a loss. The Funds are exposed to credit risk through domestic and foreign bonds, preferred shares, derivative contracts, cash and short-term investments, amounts due from brokers, dividends and interest receivable and other receivables. A Fund may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in the Canadian Securities Legislation. Collateral held is in the form of highly rated fixed income instruments. All securities under lending agreements are fully collateralized.

Credit risks arising from short-term investments and fixed income securities, including domestic and foreign bonds and preferred shares, are generally limited to the fair value of the investments as shown in the Schedule of Investment Portfolio. The Funds limit exposure to individual issuers/sectors and credit quality ratings. The credit worthiness of issuers in which the Funds invest are reviewed regularly and the portfolios are adjusted as required to match the minimum requirement as set forth in each Fund's prospectus. Each individual Fund's exposure to credit risk, if any, is presented in the Financial Instruments Risk section of the Financial Statements.

Credit risks arising from cash are limited to the carrying value as shown on the Statements of Financial Position, except in the case of MD Money Fund, where the credit risk is limited to the fair value of investments as shown on the Schedule of Investment Portfolio. The Funds manage credit risk on cash and short-term investments by investing in high grade short-term notes with credit ratings of R-1 (low) or higher as well as limiting exposure to any single issuer.

Certain derivative contracts are subject to netting arrangements whereby if one party to a derivative contract defaults, all amounts with the counterparty are terminated and settled on a net basis. As such, the maximum credit loss on derivative contracts is the financial derivative instrument asset in the Statements of Financial Position. Each Fund manages credit risk on derivatives by only entering into agreements with counterparties that have an approved credit rating. Credit risk on amounts due from brokers is minimal since transactions are settled through clearinghouses where securities are only delivered for payment when cash is received.

Credit risk related to securities lending transactions is limited by the fact that the value of cash or securities held as collateral by the Funds in connection with these transactions is at least 102% of the fair value of the securities loaned. The collateral and loaned securities are marked to market each business day. The aggregate dollar value of portfolio securities lent and collateral held is presented in the Fund Specific Notes.

## LIQUIDITY RISK

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Funds' exposure to liquidity risk arises primarily from the daily cash redemption of units. All Funds' financial liabilities come due within one year, other than those derivatives with longer maturities as disclosed in the Schedule of Investment Portfolio. To manage this liquidity requirement, the Funds invest primarily in liquid securities that can readily be sold in active markets and each Fund may borrow up to 5% of its NAV. At year end, no Fund had borrowed against its respective line of credit.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

## CURRENCY RISK

Currency risk is the risk that the values of financial assets and liabilities denominated in foreign currencies fluctuate due to changes in foreign exchange rates. To the extent the Funds hold assets and liabilities denominated in foreign currencies, the Funds are exposed to currency risk. The Funds may also use forward contracts at the discretion of the Manager. Each individual Fund's exposure to currency risk, if any, is presented in the "Financial Instruments Risks" section of the financial statements.

## INTEREST RATE RISK

Interest rate risk is the risk that the fair value (measured as the present value) of cash flows associated with interest bearing financial instruments will fluctuate due to changes in the prevailing market rates of interest. In general, as interest rates rise, the fair value of interest bearing financial instruments will fall. Financial instruments with a longer term to maturity will generally have a higher interest rate risk.

The Funds' interest-bearing financial instruments that subject the Funds to interest rate risk include domestic and foreign bonds and mortgage related and other asset back securities. The Funds' may also be exposed indirectly to interest rate risk through their position in interest rate swaps presented in the Schedule of Derivative Instruments. Short-term money market instruments are also interest bearing and therefore subject to interest rate risk. However, due to the short-term nature of the securities, the interest rate risk is generally not significant.

Interest rate risk management practices employed by the Funds include setting target durations based on the appropriate benchmark indices and monitoring the Funds' durations relative to the benchmarks. If interest rates are anticipated to rise, the Funds' durations can be shortened to limit potential losses. Conversely, if interest rates are anticipated to fall, the durations can be lengthened to increase potential gains. Each individual Fund's exposure to interest rate risk, if any, is presented in the "Financial Instruments Risks" section of the financial statements.

## OTHER PRICE RISK

Other price risk is the risk that the fair value of financial instruments may decline because of changes in market prices of the financial instruments, other than declines due to interest rate risk and currency risk. Other price risk stems from financial instruments' sensitivity to changes in the overall market (market risk) as well as factors specific to the individual financial instrument. Other price risk attributable to individual investments is managed through diversification of the portfolio and security selection and adjustments to fair value when there is significant volatility in international markets after markets are closed. Each individual Fund's exposure to other price risk, if any, is presented in the "Financial Instruments Risks" section of the financial statements.

Details of each Fund's exposure to financial instruments risks including fair value hierarchy classification are available in the "Financial Instruments Risks" section of the financial statements of each Fund.

## FINANCIAL RISKS FROM UNDERLYING MUTUAL FUNDS

Certain Funds may invest in other mutual funds. The Funds' investments in mutual funds are subject to the terms and conditions of the respective mutual fund's offering documentation and are susceptible to the risks related to the underlying mutual funds' financial instruments. The Funds' maximum exposure to loss from their interests in mutual funds is equal to the total fair value of their investment in mutual funds. Once the Funds dispose of their shares in an underlying mutual fund, the Funds cease to be exposed to any risk from that mutual fund. The exposure to underlying mutual fund investments is disclosed in the "Financial Instruments Risks" section of the financial statements of each Fund.

## 9. Fair value measurement

The Funds classify fair value measurements within a hierarchy that prioritizes the inputs to Funds' valuation techniques used in measuring fair value. Under these provisions, an entity is required to classify each financial instrument into one of three fair value levels as follows:

- Level 1 for unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 for inputs that are based on unobservable market data.

The classification of a financial instrument is based on the lowest level of input that is significant to the determination of fair value.

All fair value measurements are recurring. The carrying values of cash, receivable for investment transactions, dividends and interest receivable, subscriptions receivable, payable for investment transactions, redemptions payable, distributions payable and the Fund's obligation for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature. Fair values of securities and derivatives 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 ceases to be actively traded, it is transferred out of Level 1. In such cases, fair value is determined using observable market data (eg. transactions for similar securities of the same issuer) and the 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. Changes in valuation methods may result in transfers into or out of the assets' or liabilities' assigned levels. The level summary based on the hierarchy inputs is disclosed in the "Financial Instrument Risks" section of each Fund.

Level 3 financial instruments are reviewed by the Funds' fair valuation committee. The fair valuation committee considers the appropriateness of the valuation model inputs, as well as the valuation result, using valuation methods recognized as standard within the industry. Quantitative information about the unobservable inputs, sensitivity of the fair value measurements to changes in unobservable inputs and interrelationships between those inputs are disclosed in the Fund Specific Notes under "Fair value measurement" if significant unobservable inputs are used when valuing Level 3 financial instruments.



# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

## EQUITIES

The Funds' equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. The Funds subscribe to the services of a third-party valuation service provider to provide fair value adjustments, when a defined threshold is met, to the prices of foreign securities due to changes in the value of securities in North American markets following the closure of the foreign markets. The parameters used to apply the fair value adjustments are based on observable market data. Where applicable, the foreign securities will be considered Level 2 priced securities.

## BONDS AND SHORT-TERM INVESTMENTS

Debt securities generally trade in the OTC market rather than on a securities exchange. Bonds including government, corporate, convertible and municipal bonds and notes, bank loans, US and Canadian treasury obligations, sovereign issues and foreign bonds are normally valued by pricing service providers that use broker-dealer quotations, reported trades and valuations from their internal pricing models. These internal pricing models use inputs which are observable including interest rate curves, credit spreads and volatilities. 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, unless the determination of fair value requires significant unobservable input, in which the measurement is classified as Level 3.

## INVESTMENTS IN MUTUAL FUNDS AND EXCHANGE TRADED FUNDS

The Funds' positions in the mutual funds and exchange traded funds are typically in positions that are actively traded and a reliable price is observable and as such is classified as Level 1.

## FINANCIAL DERIVATIVE INSTRUMENTS

Derivatives consisting of foreign currency forward contracts, interest rate swaps, credit default swaps and foreign currency options which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rate and credit spreads. These derivative financial instruments have been classified as Level 2.

Futures contracts and options that are traded on a national securities exchange are stated at the last reported sale or settlement price on the day of valuation. To the extent these financial derivative instruments are actively traded they are categorized as Level 1.

## FAIR VALUATION OF INVESTMENTS (INCLUDING UNLISTED SECURITIES)

If the valuation methods described above are not appropriate, the Funds will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.

The extent of Funds' use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of securities is summarized in each Fund's "Financial Instruments Risks" section of the financial statements.

## 10. Income Taxes

Each of the Funds qualifies as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income for the year, including net realized capital gains which are not paid or payable to its unitholders as at the end of the year. It is the intention of the Manager that all annual net investment income and sufficient net realizable taxable capital gains will be distributed to unitholders annually by December 31, such that there are no Canadian income taxes payable by the Funds. Accordingly, the Funds do not record Canadian income taxes in their financial statements.

## LOSSES CARRIED FORWARD

Capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses for income tax purposes may be carried forward up to twenty years and applied against all sources of income. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position. As of December 31, 2023, the following Funds have capital and non-capital losses available for carry forward as presented below (in \$'000's):

Fund	Year of expiry	Non-Capital Loss \$	Capital Loss \$
MDPIM Short-Term Bond Pool		-	225,634
MDPIM Bond Pool		-	449,081
MDPIM Dividend Pool		-	163,729
MDPIM Strategic Yield Pool		-	152,102
MDPIM Canadian Equity Pool		-	-
MDPIM US Equity Pool		-	-
MDPIM International Equity Pool		-	23,228
MDPIM Strategic Opportunities Pool		-	-
MDPIM Emerging Markets Equity Pool		-	239,639
MDPIM S&P/TSX Capped Composite Index Pool		-	-
MDPIM S&P 500 Index Pool		-	190
MDPIM International Equity Index Pool		-	5,603

## WITHHOLDING TAXES

The Funds currently incur withholding taxes imposed by certain countries on investment income and in some cases, 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.

# Notes to Financial Statements

For 12 months ended December 31, 2023 and 2022

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## 11. Soft Dollar Commissions

Soft dollar commissions refers to the portion of total brokerage commissions paid to certain brokers that was available for payment to third party vendors for providing research, statistical or investment decision making services. These services assist the Manager and its sub-advisors with their investment decision making for the Funds. The ascertainable soft dollar commissions paid in connection with the investment portfolio transactions for the years ended December 31, 2023 and December 31, 2022 are set out below (in \$000's):

<b>Fund</b>	<b>2023 \$</b>	<b>2022 \$</b>
MDPIM Dividend Pool	89	156
MDPIM Strategic Yield Pool	31	55
MDPIM Canadian Equity Pool	356	586
MDPIM US Equity Pool	57	317
MDPIM International Equity Pool	107	77
MDPIM Strategic Opportunities Pool	31	28
MDPIM Emerging Markets Equity Pool	499	414





**MD Financial  
Management Inc.**