



**MD Financial
Management Inc.**

MD Family of Funds

2023 Annual Management Report of Fund Performance

DISCLOSURE

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 1 800 267-2332, by writing to us at MD Financial Management Inc., 1870 Alta Vista Drive, Ottawa, Ontario, K1G 6R7, or by visiting our website at md.ca or SEDAR+ at sedarplus.ca. Security holders 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.

A Message to MD Family of Funds Investors

Dear MD Family of Funds Investor:

As part of our commitment to keeping you informed about your MD Fund investments, please find attached the 2023 Annual Management Report of Fund Performance (MRFP). If you also opted to receive the fund's financial statements, they are included in this package.

The annual MRFP is a regulatory document that supplements the annual financial statements. The document includes a brief discussion and analysis of the fund's investment activities, performance and financial highlights, as well as an explanation of how the markets and overall asset mix have affected the fund.

The report is produced on a fund-by-fund basis, and your report only includes information on the funds you owned as of December 31, 2023.

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

We thank you for your continued investment in the MD Family of Funds.

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.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Standard performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges payable by any securityholder which would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing. You may obtain a copy of the prospectus before investing by calling your MD Advisor or the MD Trade Centre at 1 800 267-2332.

MDPIM International Equity Pool

Management Report of Fund Performance (December 31, 2023)

Investment Objectives and Strategies

The MDPIM International Equity Pool (the "Fund") seeks to achieve long-term growth of capital by investing in a diversified portfolio of global equity securities.

The Fund employs a multi-manager approach which seeks to deliver excess returns compared to the benchmark and to provide diversification by avoiding overconcentration in any single style, sector or market trend. Fund assets are allocated to a combination of the investment advisers for the Fund, based on the Manager's assessment of the investment advisers' skills, the predicted capital market environment, and the anticipated risk inherent in each investment adviser's strategy.

The Fund may not invest in companies that manufacture tobacco or tobacco-related products or cannabis or cannabis related products.

Risk

At times, a portfolio can be subject to any number of investment risks. The risk level of the Fund did not change significantly during the year. Descriptions of the investment risks associated with this Fund are detailed in the Simplified Prospectus.

Results of Operations

For the period ended December 31, 2023, the Fund had a total return of 16.2% (Series A).

International equities advanced over the 12-month period as the MSCI EAFE Index (C\$) returned 15.7%. What a difference a year makes. This time last year, U.S. Federal Reserve (Fed) Chairman Powell stated the Fed would 'stay the course' with interest rate hikes 'until the job [was] done.' While inflation was slowing, it was still elevated over 6%. Amid the uncertainty, a record number of CEOs said they expected a U.S. recession in 2023. Following that came bank stress, the debt ceiling and more geopolitical turmoil.

Today, inflation across the developed world has since more than halved, all the while growth has remained resilient and the recession many fretted over never happened. Market sentiment was even more unpredictable than normal over 2023, bouncing from recession worries at the start of the year, to resilient growth over the summer, to higher for longer in the autumn, and ending the year focused on future rate cuts.

The final quarter of 2023 delivered a welcome Christmas present for investors. A series of softer inflation numbers in the U.S. and Europe shifted investor expectations to expect pre-emptive cuts from the central banks sooner in 2024 than previously expected resulted in an 'almost everything rally'. The MSCI EAFE Index (C\$) returned 7.7% in the fourth quarter.

The Fund's regional allocations were split between Europe and Asia-Pacific. European equities, including the UK, represented the largest allocation, approximately 60% the portfolio by market value, on average. European equities were the largest positive contributors to return given strong returns and their dominant weight in the portfolio, however, all regions were positive with most posting strong double digit returns. Asia Pacific was the least positive region in the fund for the period due to economic challenges in China which weighed on equities in Hong Kong. Currency had a modestly negative impact on return for the period, due almost entirely to weakness of the Japanese yen.

Ten of the 11 sectors represented in the portfolio contributed positively to the Fund's return in Canadian dollar terms. Industrials, Financials, Information Technology and Consumer Discretionary were the biggest positive contributors to return due to their large weight and strong returns. Real Estate was the only sector to experience a negative return for the period, as higher interest rates and challenges in China weighed on the sector, however the weight of Real Estate in the fund is small and its return was just slightly negative.

The Fund's active multi-manager structure combines complementary investment approaches. The style was consistently maintained throughout the period. The portfolio is actively managed, with positions altered based on relative opportunities, there were no material shifts in regional or sector positions within the portfolio.

As at December 31, 2023, the total net asset value of the Fund was \$4.44 billion, an increase of 5% since the beginning of the year. The increase is due to net investment gain, offset by net redemptions and income distributions to unitholders.

Recent Developments

STRATEGIC CHANGES

There have been no strategic changes and the Fund continues to be managed in a manner consistent with its investment mandate and is positioned to achieve its long-term objectives. The Investment Advisers have adhered to their investment disciplines and portfolio strategies.

Related Party Transactions

MD Financial Management Inc. is the Manager, Registrar and Trustee of the Fund. As Manager, MD Financial Management Inc. manages the overall business of the MD Family of Funds and the MDPIM Pools (collectively "the Funds") and is responsible for: setting investment objectives, providing and/or retaining the services of third party service providers for fund accounting services, administration services, and promoting the sales of the Fund's units.

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia (Scotiabank).

1832 Asset Management LP, a subsidiary of Scotiabank, is the portfolio manager of the Funds. MD Financial Management Inc., as Manager, continues to have overall responsibility for the management of the Funds. MD Financial Management Inc. is the registered portfolio manager and provides the discretionary portfolio management services to managed-account clients through MD Private Investment Counsel. 1832 Asset Management LP is responsible for the overall performance of the Funds, the management of fund assets and the selection and monitoring of the Funds' sub-advisors.

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

As Registrar, MD Financial Management Inc. keeps track of the owners of units of the MDPIM Pools, processes purchase, transfer and redemption orders, issues investor account statements, and issues annual tax reporting information.

MDPIM International Equity Pool

Management Report of Fund Performance (December 31, 2023)

As the Fund is organized as a Trust, investing in the Fund means purchasing units of the Trust. As Trustee to the Fund, MD Financial Management Inc. holds actual title to the property in the Fund—the cash and securities the Fund invests in—on behalf of the unitholders.

Units of the MDPIM Pools are only available to clients of MD Private Trust Company or discretionary managed account clients of MD Financial Management Inc. MD Management Limited ceased to be the principal distributor of the MDPIM Pools as effective October 29, 2018.

INDEPENDENT REVIEW COMMITTEE

The Manager has established an independent review committee (the “IRC”) in accordance with National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) with a mandate to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the Fund. The IRC is responsible for overseeing the Manager’s decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107.

The IRC may also approve certain mergers between the Fund and other funds and any change of the auditor of the Fund. Subject to any corporate and securities law requirements, no securityholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, securityholder approval may be required to approve certain mergers.

The IRC has four members: Stephen J. Griggs (Chair), Heather A.T. Hunter, Jennifer L. Witterick and Steven Donald each of whom is independent of the Manager.

The IRC prepares and files a report to the securityholders each fiscal year that describes the IRC and its activities for securityholders, as well as contains a complete list of the standing instructions. These standing instructions enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures established to address that conflict of interest matter and reports periodically to the IRC on the matter. This report to the securityholders is available on the Manager’s website or, at no cost, by contacting the Manager.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Fund as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. The compensation for the IRC is an annual flat fee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses.

The Manager is required to advise the IRC of any breach of a condition of any standing instructions. The standing instructions require, among other things, that the investment decision in respect to a related party transaction: (a) is made by the Manager free from any influence by an entity related to the Manager and without taking into account any consideration to any associate or affiliate of the Manager; (b) represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (c) is made in compliance with the Manager’s written policies and procedures. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC to monitor compliance.

The Manager, in respect of its management of the Fund relied on IRC standing instructions regarding related party transactions as set out below:

- Paying brokerage commissions and spreads to a related party for effecting security transactions on a principal basis on behalf of the Fund;
- Purchases or sales of securities of an issuer from or to another investment fund managed by the Manager;
- Investments in the securities of issuers for which a related underwriter acted as an underwriter during the distribution of such securities and the 60-day period following the completion of such distribution;
- Purchases of securities of a related party;
- Investment Advisor Monitoring and Oversight

Management Fees

No management fee is charged in respect of units of the Fund. Investors in these units have agreed to pay a managed account fee directly to MD Financial Management Inc.

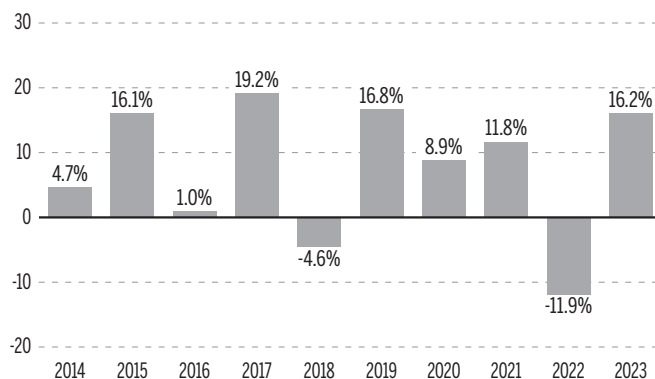
Past Performance

The following bar chart shows the Fund’s annual performance for each of the years shown, and illustrates how the Fund’s performance changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each calendar year would have grown or decreased by the last day of each calendar year.

The performance information assumes that all distributions made by the Fund were reinvested in additional units of the Fund and does not take into account sales, redemption, distribution or other optional charges that would reduce returns. How the Fund has performed in the past does not necessarily indicate how the Fund will perform in the future.

YEAR-BY-YEAR RETURNS

Series A



MDPIM International Equity Pool

Management Report of Fund Performance (December 31, 2023)

ANNUAL COMPOUND RETURNS

The following table shows the Fund's historical annual compound return for the one, three, five and ten year periods ended on December 31, as compared to the return of the MSCI EAFE Index.

	1 year	3 years	5 years	10 years
MDPIM International Equity Pool – Series A	16.19%	4.56%	7.77%	7.33%
MSCI EAFE Index	15.66%	5.74%	7.93%	7.06%

Management uses the MSCI EAFE Index as the benchmark for this Fund because it represents the aggregate returns of securities listed on exchanges in European, Australasian and Far Eastern markets. Although index returns are hypothetical—as they do not reflect the true cost of owning or managing the underlying stocks—they are one of several useful indicators. By comparing the Fund's performance to the movements of the benchmark, we are able to assess how the Fund is doing. For example, some short-term deviations can signal the need for change while others confirm the expectations of a longer-term strategy. If Management were to ascertain that the Fund's over (or under) performance was the result of excessive risk-taking or deviation from the investment mandate, we would, on behalf of all our unitholders, address these issues with the Investment Advisor and make changes if necessary.

The Fund outperformed over the past one-year period. The Pool combines strategies that target both growth and value companies, and the strength over the past year came from the value strategies deployed within the Pool. Regionally, positions in the United Kingdom had the most positive contribution to outperformance over the past year, but most regions contributed positively to excess return. The three- and five-year returns lagged the benchmark due to headwinds related to the growth portion of the Fund which has faced headwinds in the recent two years as value stocks outperformed. Ten-year returns remain ahead of benchmark due to strong stock selection and an overall bias to high quality companies.

Regarding Forward-Looking Statements

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as “plan”, “anticipate”, “intend”, “expect”, “estimate”, or other similar wording.

These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices; fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Fund may not be those anticipated. Actual results may differ materially from the results anticipated in these forward-looking statements.

MDPIM International Equity Pool

Management Report of Fund Performance (December 31, 2023)

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years, if applicable. This information is derived from the Fund's audited annual financial statements.

THE FUND'S NET ASSETS PER UNIT¹

SERIES A	Year ended December 31				
	2023	2022	2021	2020	2019
Net assets – beginning of the year	\$ 20.64	\$ 24.07	\$ 22.15	\$ 20.70	\$ 18.17
Increase (decrease) from operations:					
Total revenue	\$ 0.67	\$ 0.59	\$ 0.50	\$ 0.42	\$ 0.54
Total expenses	\$ (0.05)	\$ (0.04)	\$ (0.05)	\$ (0.04)	\$ (0.05)
Net realized gains (losses) for the year	\$ 0.58	\$ (0.28)	\$ 0.79	\$ 0.01	\$ 0.13
Net unrealized gains (losses) for the year	\$ 2.16	\$ (2.98)	\$ 1.35	\$ 1.49	\$ 2.36
Total increase (decrease) from operations ²	\$ 3.36	\$ (2.71)	\$ 2.59	\$ 1.88	\$ 2.98
Distributions:					
From income (excluding dividends)	\$ (0.60)	\$ (0.52)	\$ (0.40)	\$ (0.34)	\$ (0.49)
From dividends	\$ -	\$ -	\$ -	\$ -	\$ -
From capital gains	\$ -	\$ -	\$ (0.26)	\$ -	\$ -
Return of capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total annual distributions ³	\$ (0.60)	\$ (0.52)	\$ (0.66)	\$ (0.34)	\$ (0.49)
Net assets – end of the year	\$ 23.33	\$ 20.64	\$ 24.07	\$ 22.15	\$ 20.70

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

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial year. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

RATIOS AND SUPPLEMENTAL DATA

SERIES A	Year ended December 31				
	2023	2022	2021	2020	2019
Total net assets, end of the year ¹	\$ 4,440,163,672	\$ 4,242,288,757	\$ 4,660,761,527	\$ 4,102,249,704	\$ 3,736,545,756
Number of units outstanding	190,294,798	205,561,715	193,648,588	185,172,669	180,543,021
Management expense ratio ²	0.22%	0.22%	0.23%	0.24%	0.28%
Management expense ratio before tax	0.20%	0.20%	0.21%	0.22%	0.26%
Management expense ratio before waivers or absorptions	0.24%	0.24%	0.25%	0.26%	0.32%
Trading expense ratio ³	0.05%	0.06%	0.06%	0.05%	0.12%
Portfolio turnover rate ⁴	29.03%	31.96%	37.49%	30.14%	32.56%
Net assets per unit	\$ 23.33	\$ 20.64	\$ 24.07	\$ 22.15	\$ 20.70

¹ This information is provided as at December 31 of the year shown.

² The management expense ratio ("MER") is based on total expenses for the stated period (excluding commissions, withholding taxes and other portfolio transaction costs) and the Fund's proportionate share of the MER, if applicable, of exchange traded funds ("ETFs") in which the Fund has invested, expressed as an annualized percentage of daily average net asset value during the period.

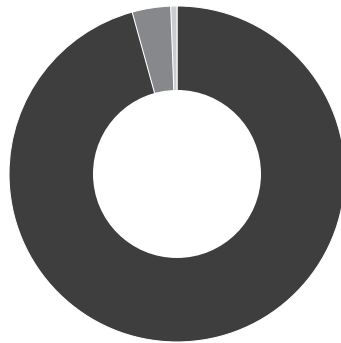
³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

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

MDPIM International Equity Pool

Summary of Investment Portfolio, December 31, 2023

NET ASSETS: \$4,440.2 MILLION



■	95.7%	Foreign Equities
■	3.7%	Cash and Other Net Assets (Liabilities)
■	0.6%	Domestic Equities

TOP 25 HOLDINGS (PERCENTAGE OF NET ASSETS)

Cash and short-term investments	2.7%
Roche Holding AG Non-Voting	1.8%
ASML Holding NV	1.8%
LVMH Moët Hennessy Louis Vuitton SE	1.7%
Taiwan Semiconductor Manufacturing Company Limited	1.6%
Air Liquide SA	1.6%
Novo Nordisk A/S Cl. B	1.6%
RELX PLC	1.4%
Nestlé SA Registered Shares	1.4%
Keyence Corporation	1.3%
Diageo PLC	1.3%
Industria de Diseno Textil, SA	1.3%
Novartis AG Registered Shares	1.3%
iShares Core MSCI EAFE ETF	1.2%
Compass Group PLC	1.2%
L'Oréal SA	1.1%
Wolters Kluwer NV	1.0%
SAP SE	0.9%
HDFC Bank Limited	0.9%
Shell PLC	0.9%
AIA Group Limited	0.9%
Hoya Corporation	0.9%
AstraZeneca PLC	0.9%
BAE Systems PLC	0.8%
SMC Corporation	0.8%

PORTFOLIO ALLOCATION (PERCENTAGE OF NET ASSETS)

DOMESTIC EQUITIES

Consumer Discretionary	0.4%
Industrials	0.2%
	0.6%

FOREIGN EQUITIES

Australia	2.6%
Austria	0.5%
Belgium	0.4%
Bermuda	0.7%
Brazil	0.3%
Cayman Islands	0.5%
Chile	0.1%
China	0.3%
Colombia	0.3%
Denmark	3.3%
Exchange Traded Funds	1.2%
Finland	1.5%
France	10.4%
Germany	5.6%
Hong Kong	1.7%
India	1.2%
Ireland	1.4%
Isle of Man	0.2%
Israel	0.7%
Italy	2.0%
Japan	16.8%
Jersey	1.0%
Kazakhstan	0.1%
Luxembourg	0.7%
Mexico	0.3%
Netherlands	6.0%
New Zealand	0.1%
Norway	1.4%
Panama	0.2%
Portugal	0.1%
Singapore	1.7%
South Korea	0.6%
Spain	2.5%
Sweden	1.7%
Switzerland	10.3%
Taiwan	2.3%
United Kingdom	14.8%
United States	0.2%
	95.7%

CASH AND SHORT-TERM INVESTMENTS 2.7%

OTHER NET ASSETS 1.0%

TOTAL NET ASSETS 100.0%

The Cash and Short-Term Investments and Other Net Assets may appear negative due to the timing of cash flows between the trade date and settlement date for transactions on underlying securities.

Note: Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available.

The Net Assets, Portfolio Allocation and Top 25 Holdings in the tables are based on the net assets as at December 31, 2023.

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