



**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 S&P 500 Index Pool

Management Report of Fund Performance (December 31, 2023)

Investment Objectives and Strategies

The investment objective of the MDPIM S&P 500 Index Pool (the "Fund") is to provide long-term capital growth by investing primarily in U.S. equity securities that track the holdings of the S&P 500 Index, a generally recognized broad based U.S. equity market index.

The Fund invests directly in the securities that make up the index and is adjusted to reflect changes in the benchmark index.

The Fund may purchase exchange-traded funds that track the index.

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

Risk

The risks of investing in the Fund are stated in the Fund's Simplified Prospectus. The Fund is suitable for investors who have a medium tolerance for risk.

Results of Operations

For the period ended December 31, 2023, the Fund had total returns of 23.1% (Series A), and 23.0% (Series F).

The U.S. equity market ended the 12-month period in positive territory as the S&P 500 Index (C\$) returned 22.9%.

In 2023, we saw the U.S. Federal Reserve (Fed) ease the foot off the accelerator and raise interest rates only four times this year versus seven interest rate hikes in 2022. The rate hikes over the last couple of years had a positive impact in taming inflation. Inflation fell from 6.4% at the start of the year to 3.1% in November, inching closer to the Fed's target rate of 2%.

The single most important factor standing in the way of lower inflation and hitting the Fed's target rate is shelter costs, which includes housing and rentals. Shelter inflation rose 6.5% in November and accounts for about 30% of the Consumer Price Index (CPI). CPI is used to measure inflation. Excluding shelter, inflation would have been just 1.4% - well below the Fed's 2% inflation target. Fed Chairman Powell indicated that the central bank was aware of the risk of keeping interest rates at restrictive levels for too long. Powell added, 'You wouldn't wait to get to 2% [inflation] to cut rates. It would be too late.'

Equity markets registered strong gains in the final quarter by expectations that interest rate cuts may be approaching in 2024. As such, the S&P 500 Index (C\$) returned 9.8% in final quarter. The U.S. economic outlook has also brightened in recent months as healed supply chains and an influx of workers into the labour force are curbing wage and price increases without causing broad economic weakness.

Seven of the 11 GICS (Global Industry Classification Standard) sectors posted positive returns over the 12-month period. The best performing sectors were Information Technology, Communication Services and Consumer Discretionary. The worst performing sectors were Utilities, Energy and Consumer Staples.

Over the period, the U.S. dollar strengthened against the Japanese yen, while weakening against Canadian dollar, Euro currency and the British pound.

As the MDPIM S&P 500 Index Pool is an index fund, it is designed to replicate as close as possible to the S&P 500 from a sector allocation perspective. Out of the eleven sectors represented in the portfolio, the Information Technology and Health Care sectors received on average the highest portfolio weightings, while the Real Estate and Materials sectors received the lowest allocations. The vast majority of sectors contributed positively to performance, with strength being especially strong in the IT, Communication Services and Consumer Discretionary sectors.

As at December 31, 2023, the total net asset value of the Fund was \$1.35 billion, an increase of 9% 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.

The Fund's core investment philosophy is to seek diversification through balanced exposure to securities in the U.S. equity market.

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.

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.

MDPIM S&P 500 Index Pool

Management Report of Fund Performance (December 31, 2023)

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, except for Series F units of the Pools which are available through accounts held at MD Management Limited, which acts as principal distributor in respect of those units. MD Management Limited is a wholly owned subsidiary of MD Financial Management Inc.

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 an 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 Series A units of the Fund. Investors in these units have agreed to pay a managed account fee directly to MD Financial Management Inc.

Series F unitholders pay a separate managed account fee directly to MD Management Limited. 100% of the management fee on Series F is for investment management and other services.

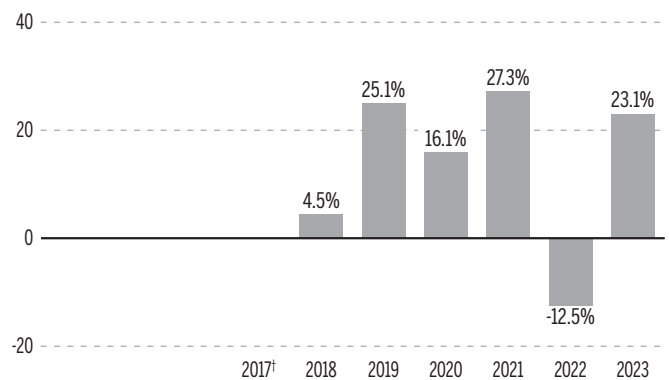
Past Performance

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

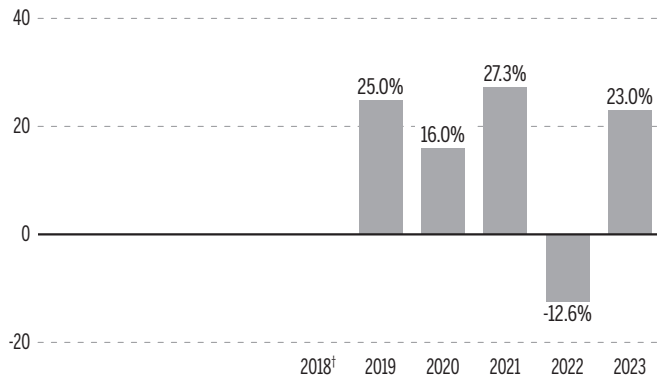


[†]Series A units are not reported in 2017 as they had been in existence for less than 12 months.

MDPIM S&P 500 Index Pool

Management Report of Fund Performance (December 31, 2023)

Series F



[†]Series F units are not reported in 2018 as they had been in existence for less than 12 months.

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.

ANNUAL COMPOUND RETURNS

	1 year	3 year	5 years	Since Inception
MDPIM S&P 500 Index Pool - Class A	23.15%	11.10%	14.77%	12.24%
MDPIM S&P 500 Index Pool - Class F	23.04%	11.03%	14.68%	12.58%
S&P 500 Index	22.90%	11.27%	14.88%	

*The Fund started series A units on April 4, 2017.

†The Fund started series F units on January 9, 2018.

As the MDPIM S&P500 Index Pool is an index fund, the Fund is designed to replicate the performance of the S&P 500 Index as closely as possible. Any deviation of the Fund's return from the S&P 500 is a function of cash flows in and out of the pool and no allocation to cannabis and tobacco stocks.

MDPIM S&P 500 Index 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	\$ 16.12	\$ 18.69	\$ 14.85	\$ 13.02	\$ 10.57
Increase (decrease) from operations:					
Total revenue	\$ 0.26	\$ 0.23	\$ 0.20	\$ 0.21	\$ 0.20
Total expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Net realized gains (losses) for the year	\$ 0.87	\$ 0.75	\$ 0.58	\$ 0.50	\$ 0.23
Net unrealized gains (losses) for the year	\$ 2.58	\$ (3.31)	\$ 3.28	\$ 1.33	\$ 2.11
Total increase (decrease) from operations ²	\$ 3.71	\$ (2.33)	\$ 4.06	\$ 2.04	\$ 2.54
Distributions:					
From income (excluding dividends)	\$ (0.26)	\$ (0.22)	\$ (0.20)	\$ (0.23)	\$ (0.19)
From dividends	\$ -	\$ -	\$ -	\$ -	\$ -
From capital gains	\$ -	\$ -	\$ -	\$ -	\$ -
Return of capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total annual distributions ³	\$ (0.26)	\$ (0.22)	\$ (0.20)	\$ (0.23)	\$ (0.19)
Net assets – end of the year	\$ 19.57	\$ 16.12	\$ 18.69	\$ 14.85	\$ 13.02

SERIES F	Year ended December 31				
	2023	2022	2021	2020	2019
Net assets – beginning of the year	\$ 15.53	\$ 17.99	\$ 14.28	\$ 12.50	\$ 10.14
Increase (decrease) from operations:					
Total revenue	\$ 0.24	\$ 0.22	\$ 0.20	\$ 0.20	\$ 0.19
Total expenses	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Net realized gains (losses) for the year	\$ 0.85	\$ 0.71	\$ 0.59	\$ 0.54	\$ 0.24
Net unrealized gains (losses) for the year	\$ 2.48	\$ (2.99)	\$ 3.17	\$ 1.45	\$ 1.92
Total increase (decrease) from operations ²	\$ 3.56	\$ (2.07)	\$ 3.95	\$ 2.18	\$ 2.34
Distributions:					
From income (excluding dividends)	\$ (0.22)	\$ (0.19)	\$ (0.17)	\$ (0.19)	\$ (0.16)
From dividends	\$ -	\$ -	\$ -	\$ -	\$ -
From capital gains	\$ -	\$ -	\$ -	\$ -	\$ -
Return of capital	\$ -	\$ -	\$ -	\$ -	\$ -
Total annual distributions ³	\$ (0.22)	\$ (0.19)	\$ (0.17)	\$ (0.19)	\$ (0.16)
Net assets – end of the year	\$ 18.87	\$ 15.53	\$ 17.99	\$ 14.28	\$ 12.50

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.

MDPIM S&P 500 Index Pool

Management Report of Fund Performance (December 31, 2023)

Financial Highlights (continued)

RATIOS AND SUPPLEMENTAL DATA

SERIES A	Year ended December 31				
	2023	2022	2021	2020	2019
Total net assets, end of the year ¹	\$ 1,230,876,842	\$ 1,168,396,108	\$ 1,344,599,796	\$ 1,041,459,780	\$ 1,000,283,304
Number of units outstanding	62,889,600	72,459,704	71,938,224	70,125,091	76,816,561
Management expense ratio ²	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before tax	0.00%	0.00%	0.00%	0.00%	0.00%
Management expense ratio before waivers or absorptions	0.02%	0.02%	0.03%	0.03%	0.04%
Trading expense ratio ³	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁴	8.56%	17.84%	12.09%	11.36%	16.59%
Net assets per unit	\$ 19.57	\$ 16.12	18.69	14.85	13.02

SERIES F	Year ended December 31				
	2023	2022	2021	2020	2019
Total net assets, end of the year ¹	\$ 123,151,483	\$ 73,073,800	\$ 65,964,247	\$ 34,752,863	\$ 18,575,553
Number of units outstanding	6,527,481	4,706,354	3,667,352	2,433,212	1,486,201
Management expense ratio ²	0.08%	0.08%	0.08%	0.08%	0.08%
Management expense ratio before tax	0.07%	0.07%	0.07%	0.07%	0.07%
Management expense ratio before waivers or absorptions	0.10%	0.10%	0.11%	0.11%	0.12%
Trading expense ratio ³	0.00%	0.00%	0.00%	0.00%	0.00%
Portfolio turnover rate ⁴	8.56%	17.84%	12.09%	11.36%	16.59%
Net assets per unit	\$ 18.87	\$ 15.53	\$ 17.99	\$ 14.28	\$ 12.50

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.

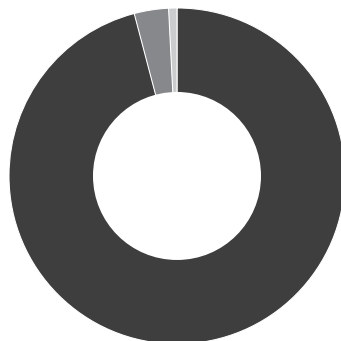
³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

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 S&P 500 Index Pool

Summary of Investment Portfolio, December 31, 2023

NET ASSETS: \$1,354.0 MILLION



■	95.9%	US Equities
■	3.3%	Foreign Equities
■	0.8%	Cash and Other Net Assets (Liabilities)

PORTFOLIO ALLOCATION (PERCENTAGE OF NET ASSETS)

US EQUITIES

Communication Services	8.5%
Consumer Discretionary	10.6%
Consumer Staples	5.8%
Energy	3.7%
Financials	12.3%
Health Care	12.2%
Industrials	8.2%
Information Technology	27.9%
Materials	1.8%
Real Estate	2.5%
Utilities	2.4%
TOTAL US EQUITIES	95.9%

TOP 25 HOLDINGS (PERCENTAGE OF NET ASSETS)

Apple Inc.	7.0%
Microsoft Corporation	6.9%
Alphabet Inc.	3.8%
Amazon.com, Inc.	3.4%
NVIDIA Corporation	3.0%
Meta Platforms Inc. Cl. A	1.9%
Tesla, Inc.	1.7%
Berkshire Hathaway Inc. Cl. B	1.6%
JPMorgan Chase & Co.	1.2%
Broadcom Inc.	1.2%
UnitedHealth Group Incorporated	1.2%
Eli Lilly and Company	1.2%
Visa Inc. Cl. A	1.0%
Exxon Mobil Corporation	1.0%
Cash and short-term investments	0.9%
Johnson & Johnson	0.9%
MasterCard Incorporated Cl. A	0.9%
The Procter & Gamble Company	0.9%
The Home Depot, Inc.	0.9%
Costco Wholesale Corporation	0.7%
Merck & Co., Inc.	0.7%
AbbVie Inc.	0.7%
Adobe Inc.	0.7%
Chevron Corporation	0.6%
Salesforce, Inc.	0.6%

FOREIGN EQUITIES

Bermuda	0.1%
Curacao	0.2%
Ireland	2.1%
Jersey	0.1%
Liberia	0.1%
Netherlands	0.2%
Panama	0.1%
Switzerland	0.4%
Other Countries	0.0%
TOTAL FOREIGN EQUITIES	3.3%

CASH AND SHORT-TERM INVESTMENTS 0.9%

OTHER NET ASSETS (0.1%)

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.

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.



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