

Interim Management Report of Fund Performance

ADDENDA GLOBAL BALANCED FUND

June 30, 2023

This interim management report of fund performance contains financial highlights but does not contain the interim financial report of the investment fund. You can get a copy of the interim financial report at your request, and at no cost, by calling toll-free 1 866 908-3488, by writing to us at 800 René-Lévesque Blvd. West, Suite 2750, Montréal, Québec H3B 1X9, by visiting our website at addendacapital.com, by visiting SEDAR+ at sedarplus.com or by contacting your advisor. You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

Notes on Forward-looking Statements

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

Addenda Global Balanced Fund

Management Discussion of Fund Performance

Results of Operations

As of June 30, 2023, the Addenda Global Balanced Fund (Series A units) posted a 5.28% return, compared to 6.53% for its benchmark composed of: 30% FTSE Canada Universe Bond Index, 10% Bloomberg US High Yield 2% Issuer Capped Index (C\$ hedged), 30% S&P/TSX Composite Index, 15% S&P 500 (CAD), and 15% MSCI EAFE Net (CAD). As opposed to the benchmark, the Fund's performance is net of fees and expenses. Please refer to the "Past Performance" section for the details of returns by series.

At the end of June 2023, the Fund was slightly overweight in its Canadian fixed income component with an allocation to cash serving as a defensive cushion. The manager continues to have concerns as further central bank tightening could pressure interest rates higher. However, this could also be an opportunity to add to the fixed income allocation. It also held modest allocations to global and high yield securities to capture additional yield. An allocation to preferred shares was eliminated in the first half of the year due to concerns about future performance. Within the equity component, the Fund was underweight in Canadian equities, U.S., and International equities driven by concerns that monetary policy tightening would slow economic momentum and corporate earnings.

Addenda's Canadian impact fixed income investments focus on four key themes of climate change, community development, education, and health and wellness. The climate change investment theme represented the largest share of Addenda's Canadian impact fixed income investments. Focus areas of the climate change theme included renewable energy, energy efficiency and clean transportation. There were only modest changes made during the first half of 2023. Government of Canada holdings were reduced while adding to several corporate issues opportunistically. A new 5 year sustainable bond issue from Ivanhoe Cambridge is an example of an additional impact holding in the portfolio.

In terms of allocation, the lack of exposure to the Energy sector was a positive driver, along with the fund's positioning in Industrials. During the period within the International Equity allocation, the following positions were trimmed to crystallize gains: Relx (Research and Consulting Services) and Schneider Electric (Electrical Components and Equipment). Contrariwise, valuation opportunities led to increasing positions in Nidec (Electrical Components and Equipment), DSM-Firmenich (Specialty Chemicals) and Daifuku (Japan, Industrial Machinery).

Within the Canadian Equity allocation, we added several new holdings to portfolios during the period. Each of these companies met our climate transition criteria and offered compelling valuations, relative to our Intrinsic Value estimates. Within Materials, we added to our Gold exposure by adding to Wheaton Precious Metals and added Franco Nevada Corp to further diversify. Both are royalty companies which provide exposure to royalty streams on numerous underlying mines. We also initiated a position in Teck Resources on attractive valuation and to gain exposure to its compelling long-term copper growth profile. We further diversified our Consumer holdings with the addition of Restaurant Brands Int'l in the quarter. These trades were funded by trimming other holdings. We eliminated our small positions in Gildan Activewear and CAE Inc. during the period.

Recent Developments

Strong employment and inflation data led the Bank of Canada to raise its overnight target rate by 25 basis points (bps) to 4.75% in June after being on hold for 5 months. The Federal Reserve also hiked rates by 25 bps in May, bringing their target range to 5.00 - 5.25%. Both Central Banks suggested that they may need to tighten policy further as the real economy continues to show resiliency. Rates were volatile across the curve with an upward bias, as two-year yields rose over 50 bps while ten-year yields were close to unchanged, causing the 2-10 year curve to move to 130 bps inverted. Corporate spreads narrowed during the second quarter driven by strong demand from investors and supported by positive equity market performance. Market volatility should remain elevated throughout 2023 due to higher rates and tight monetary policy, as well as potentially weaker corporate profits.

Information Technology, Consumer Discretionary, and Industrials sectors have led the S&P/TSX Composite Index during the quarter and YTD. Markets have defied expectations and overcame various sources of uncertainty, including persistent inflation, central bank rate hikes, the debt ceiling, and weak economic data from China. These concerns were disregarded as markets responded positively to recent robust economic indicators, such as accelerated real GDP growth, strong housing figures, and a resilient consumer base. However, we still expect an economic slowdown in the medium-term and that will likely result in further downward pressure on earnings expectations. The Canadian market continues to trade lower than the historical average (15x) on multiple of earnings, reflecting earnings cuts over the next fiscal year due to an uncertain economic environment. However, we remain conservatively positioned as the economic outlook remains precarious and visibility remains low.

Addenda Global Balanced Fund

Related Party Transactions

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

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

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

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

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

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

As at June 30, 2023, Addenda held 2 Fund securities for a value of \$19, which represented close to 0% of the net asset value of the Fund at that date. Transactions between Addenda and the Fund were carried out in the normal course of business.

As at June 30, 2023, CFSL held 10,322,137 Fund securities for a value of \$96,984,738, which represented 99.75% of the net asset value of the Fund at that date. Transactions between CFSL and the Fund were carried out in the normal course of business and at the Fund’s net asset value as at the transaction date.

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

Financial Highlights

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

Net Assets per Unit⁽¹⁾

Series A	June 30 2023 \$	December 31 2022* \$
Net Assets, beginning of period	9.06	–
Increase (decrease) from operations:		
Total revenue	0.14	0.21
Total expenses	(0.10)	(0.02)
Realized gains (losses) for the period	(0.05)	(0.51)
Unrealized gains (losses) for the period	0.23	1.58
Total increase (decrease) from operations⁽²⁾	0.22	1.26
Distributions:		
From income (excluding dividends)	(0.05)	(0.05)
From dividends	–	(0.10)
From capital gains	–	–
Return of capital	–	–
Total Distributions⁽³⁾	(0.05)	(0.15)
Net Assets, end of period	9.49	9.06

Addenda Global Balanced Fund

Net Assets per Unit⁽¹⁾

Series F	June 30 2023 \$	December 31 2022* \$
Net Assets, beginning of period	8.97	—
Increase (decrease) from operations:		
Total revenue	0.14	0.20
Total expenses	(0.05)	(0.07)
Realized gains (losses) for the period	(0.05)	(0.27)
Unrealized gains (losses) for the period	0.49	(0.71)
Total increase (decrease) from operations⁽²⁾	0.53	(0.85)
Distributions:		
From income (excluding dividends)	(0.10)	(0.05)
From dividends	—	(0.08)
From capital gains	—	—
Return of capital	—	—
Total Distributions⁽³⁾	(0.10)	(0.13)
Net Assets, end of period	9.40	8.97

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

⁽¹⁾ This information is derived from the Fund's unaudited interim financial statements and audited annuals financial statements.

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

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

Ratios and Supplemental Data

Series A	June 30 2023	December 31 2022*
Total Net Asset Value ('000s of \$)⁽¹⁾	244	77
Number of Units Outstanding⁽¹⁾	25,717	8,521
Management Expense Ratio (%)⁽²⁾	1.82	0.06
Management Expense Ratio before waivers or absorptions (%)	1.82	0.06
Trading Expense Ratio (%)⁽³⁾	0.03	0.15
Portfolio Turnover Rate (%)⁽⁴⁾	17.32	39.65
Net Asset Value per Unit (\$)	9.49	9.06

Ratios and Supplemental Data

Series F	June 30 2023	December 31 2022*
Total Net Asset Value ('000s of \$)⁽¹⁾	96,985	91,601
Number of Units Outstanding⁽¹⁾	10,322,138	10,213,018
Management Expense Ratio (%)⁽²⁾	0.82	0.84
Management Expense Ratio before waivers or absorptions (%)	0.82	0.84
Trading Expense Ratio (%)⁽³⁾	0.03	0.15
Portfolio Turnover Rate (%)⁽⁴⁾	17.32	39.65
Net Asset Value per Unit (\$)	9.40	8.97

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

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

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

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

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

Management Fees

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

provided in consideration of the management fees, expressed as an approximate percentage of the management fees is as follows:

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

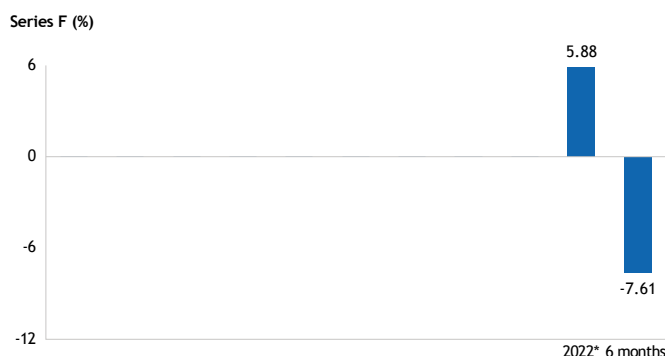
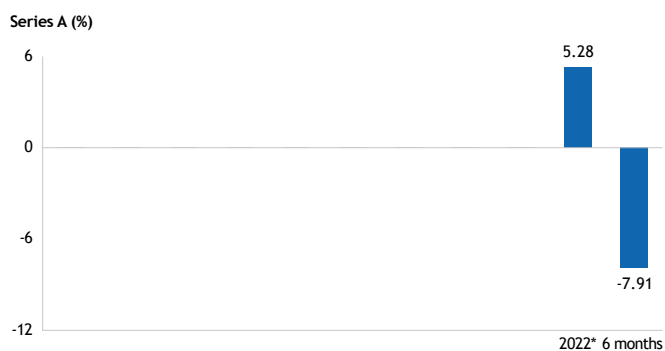
Addenda Global Balanced Fund

Past Performance

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

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

Annual Performance (%)



*Beginning of operations on March 28, 2022

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

Summary of Investment Portfolio

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

Top 25 Investments

As at June 30, 2023

Security	% of net asset value
1. Government of Canada, Series N670, 2.250%, 2029-12-01	6.4
2. NEI Global Impact Bond Fund, Series 1	5.0
3. Province of Ontario, Series DMTN251, 1.550%, 2029-11-01	3.3
4. Province of Ontario, Series DMTN257, 4.050%, 2032-02-02	3.2
5. NEI Global High Yield Bond Fund, Series 1	3.0
6. Hydro-Québec, Series 20, 6.000%, 2040-02-15	2.3
7. Toronto-Dominion Bank	2.3
8. Canada Treasury Bills, 2023-08-03	2.1
9. Canada Treasury Bills, 2023-09-14	1.6
10. Canadian Natural Resources Ltd.	1.5
11. Royal Bank of Canada	1.5
12. CGI Inc., Class A	1.5
13. Canadian Pacific Kansas City Ltd.	1.5
14. Brookfield Corp., Class A	1.4
15. Enbridge Inc.	1.4
16. Canadian National Railway Co.	1.3
17. Dollarama Inc.	1.2
18. Open Text Corp.	1.2
19. Microsoft Corp.	1.2
20. Apple Inc.	1.1
21. Franco-Nevada Corp.	1.1
22. Loblaw Cos. Ltd.	1.1
23. Government of Canada, Series M680, 1.750%, 2053-12-01	1.0
24. Bank of Montreal	1.0
25. Bank of Nova Scotia	1.0
Total % of Top 25 Investments	49.2

Asset Mix (%)

As at June 30, 2023

