

# Annual Management Report of Fund Performance (MRFP)

For the year ended December 31, 2024

## **Tangerine<sup>®</sup> Balanced SRI Portfolio**

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 get a copy of the annual financial statements at your request, and at no cost, by calling 1-877-464-5678, by writing to us at 40 Temperance Street, 16th Floor, Toronto, ON, M5H 0B4, or by visiting our website at <https://www.tangerine.ca/en/products/investing/portfolios> or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Unitholders may also contact us using one of these methods to request a copy of the investment fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

# Tangerine Balanced SRI Portfolio

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## Manager

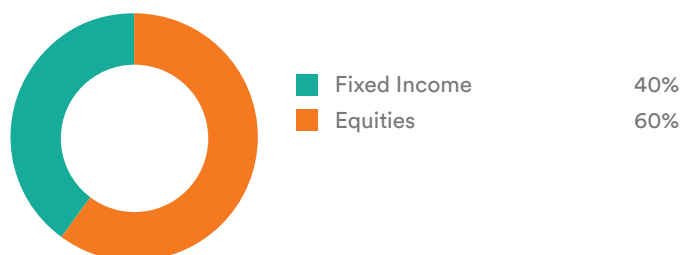
1832 Asset Management L.P. (the “Manager”)

## Portfolio Advisor

1832 Asset Management L.P. (the “Portfolio Advisor”)

## Investment Objective and Strategies

The Tangerine Balanced SRI Portfolio (the “Fund”) seeks to provide a balance of income and capital appreciation by investing in a diversified mix of equity and fixed income ETFs which invest in securities filtered based on socially responsible investing criteria located anywhere in the world.



The Portfolio Advisor intends to primarily invest in SRI ETFs that are generally capitalization-weighted and which represent four distinct asset/regional allocations, including but not limited to: Canadian fixed income, Canadian equity, U.S. equity and international equity. Regional allocations to equities will be driven primarily by relative market size, meaning larger regions/countries will receive proportionally higher allocation than smaller regions/countries.

## Risk

The risks associated with investing in the Fund are as described in the Simplified Prospectus. There were no material changes to the Fund over the year that affected the overall level of risk of the Fund.

## Results of Operations

The Fund had net assets of \$26 million at December 31, 2024 and \$12 million at December 31, 2023. The Fund's net assets increased by \$14 million over the one year period ending on December 31, 2024. The change was composed of net subscriptions of \$11 million and investment performance of \$3 million.

## Investment Results

For the year ended at December 31, 2024 (the “period”), the Tangerine Balanced SRI Portfolio (the “Fund”) generated a total return of 19.0%. It out-performed the benchmark. The Fund's blended index, 60%- Solactive GBS Global Markets Large and

Mid Cap Index (CA NTR) and 40%-Solactive Broad Canadian Bond Universe Liquid ex MPL TR Index, returned 20.2% during the same period.

Consistent with the Fund's investment objectives, during the period it invested in equity and fixed income ETFs which invested in securities filtered based on socially responsible investing criteria located anywhere in the world (the “SRI ETFs”). For more information on the socially responsible investing criteria, please refer to the Fund's most recent Simplified Prospectus.

During the period, the SRI ETFs' investments excluded issuers that derived more than a specified percentage of their revenue from business activities involving coal mining, coal power generation, fossil fuels, nuclear power, hydraulic fracturing or oil sands. The exclusion of these issuers from the Fund's investment exposure during the period played a role in the Fund's outperformance relative to its benchmark.

Global equities advanced over the period as represented by the Solactive GBS Global Markets Large & Mid Cap Index (CA NTR) returning 10.8%. Developed markets continue to show strength with most markets finishing the period near all-time highs.

Canadian equities ended the period in positive territory as we witnessed the Bank of Canada (BoC) become the first Group of Seven central bank to cut interest rates. The BoC aggressively cut rates 5 times, with the last two cuts being a jumbo cut – 50 basis points. Interest rates declined from 5.00% to 3.25%.

U.S. equities generated positive double-digits returns as the U.S. Federal Reserve (Fed) cut interest rates three times reducing the Federal Funds rate from 5.5% to 4.5%. The Fed had taken a wait and see approach on reducing interest rates. The Fed is trying to pull off a balancing act. They want to prevent the aggressive rate increases of the past two years from unnecessarily slowing down economic activity, but they don't want to undo recent progress on inflation. Fed officials expect inflation to be stickier next year than anticipated.

European developed markets saw the U.K. and Germany as the best performers while Denmark and Portugal were the laggards. The European Central Bank continued its accommodative monetary policy, with lower interest rates and quantitative easing, to support economic growth. Ongoing tensions in Eastern Europe and other geopolitical hotspots also continued to affect investor confidence.

Among Emerging Markets, China's equity markets saw improvements with positive returns after several years of declines. Contributing to this were an improvement in macroeconomic factors, fiscal stimulus, monetary policy easing and investor-friendly regulatory environment. South Korea was amongst the largest declines in Emerging Markets with political turmoil in the second half of the year weighing both investor confidence and market returns.

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The Canadian bond market, as represented by the Solactive Broad Canadian Bond Universe Liquid ex MPL TR Index, finished up 4.0% for the period. The 10-year Government of Canada yield peaked in April before dipping down to 2.87% in September and rising into the year-end to finish at 3.22% for the period.

Within the U.S., the 10-year Treasury yield similarly trended upwards into the spring then fell to 3.62% in September. Following Trump's election victory, bond markets experienced a volatile sell-off driven largely by the anticipation of inflationary policies and bigger deficits under the new administration, leading to a rise in U.S. Treasury yields and they finished the period at 4.58%. Over the period, the Canadian dollar weakened against most major currencies, except the Japanese yen.

## Recent Developments

On April 1, 2024, 1832 Asset Management L.P. became the manager of Tangerine Funds, taking over from Tangerine Investment Management Inc.

## Related-Party Transactions

Affiliates of 1832 Asset Management L.P. may earn fees and spreads in connection with various services provided to, or transactions with the Fund, including securities lending transactions and other services as described below:

### Manager, Trustee and Portfolio Advisor

1832 Asset Management L.P. is a wholly owned subsidiary of The Bank of Nova Scotia ("Scotiabank"). 1832 Asset Management L.P. is the manager and trustee of the Fund. 1832 Asset Management L.P. is responsible for the Fund's day to day operations, is the portfolio advisor, and appoints the distributor for the Fund.

### Management and Administration Fees

1832 Asset Management L.P. is paid a management fee by the Fund as compensation for its services as well as a fixed administration fee. 1832 Asset Management L.P. in turn pays certain operating expenses of the Fund. Further details about the management fee and the fixed administration fee can be found in the Fund's most recent simplified prospectus.

### Principal Distributor

Tangerine Investment Funds Limited (the "principal distributor") is the principal distributor of the Fund and is an affiliate of 1832 Asset Management L.P. The principal distributor receives an ongoing trailer commission from 1832 Asset Management L.P. based on the total value of the units of the Fund held by its clients. Trailer commissions are paid by 1832 Asset Management L.P. out of the management fees it receives from the Fund.

## Securities Lending Transactions

The Fund did not participate in securities lending transactions with a related party during the period.

## Buying and Selling Securities

1832 Asset Management L.P. has established an Independent Review Committee ("IRC") which acts as an impartial and independent committee to review and provide recommendations or, in certain cases, approvals respecting any conflict of interest matters referred to it by the Manager.

The Manager and the Fund relied on standing instructions from the IRC in respect of one or more of the following types of transactions:

- Investing in or holding securities of a related issuer.
- Paying brokerage commissions and spreads to a related party for effecting security transactions on an agency and principal basis on behalf of the Fund.
- 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.
- Acquisition and holding of securities of a related underlying fund.

The applicable standing instructions require that investment decisions relating to the above types of transactions, among other relevant terms and conditions of the Manager's conflict policies and procedures, (i) are made free from any influence by the Manager or any entity related to the Manager and without taking into account any considerations relevant to the Manager or any entity related to the Manager; (ii) represent the business judgment of the portfolio advisor uninfluenced by any consideration other than the best interests of the Fund; and (iii) achieve a fair and reasonable result for the Fund.

## Related Brokerage Commissions

The Manager is a wholly owned subsidiary of Scotiabank. Scotiabank owns, directly or indirectly, 100% of Scotia Capital Inc., an investment dealer. From time to time, the Fund may enter into portfolio securities transactions with Scotia Capital Inc. or other related dealers in whom Scotiabank has a significant interest (a "Related Broker"). These Related Brokers may earn commission or spreads on such transactions, which are made on terms and conditions that are comparable to transactions made with non-related brokers.

During the period, the Fund paid \$4,423 in commissions to Related Brokers.

# Tangerine Balanced SRI Portfolio

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## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help the reader understand the Fund's financial performance over the years ended December 31, 2024, December 31, 2023, and the period ended December 31, 2022. The information on the following tables is based on prescribed regulations and as a result, is not expected to add down due to the increase (decrease) in net assets from operations being based on average units outstanding during the period and all other numbers being based on actual units outstanding at the relevant point in time. Footnotes for the tables are found at the end of the Financial Highlights section.

### Net Assets per Unit<sup>1</sup> (\$)

	2024	2023	2022
<b>Net assets – beginning of year</b>	<b>\$10.41</b>	<b>\$9.02</b>	<b>\$10.00</b>
<b>Increase (decrease) from operations:</b>			
Total revenue	0.55	0.13	0.12
Total expenses	(0.07)	(0.06)	(0.06)
Realized gains (losses) for the year	0.19	0.07	(0.04)
Unrealized gains (losses) for the year	1.26	1.26	(0.56)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$1.93</b>	<b>\$1.40</b>	<b>\$(0.54)</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.09)	—	(0.05)
From dividends	(0.01)	—	—
From capital gains	(0.13)	—	—
Return of capital	—	—	—
<b>Total annual distributions<sup>3</sup></b>	<b>(0.23)</b>	<b>—</b>	<b>(0.05)</b>
<b>Net assets – end of year</b>	<b>\$12.16</b>	<b>\$10.41</b>	<b>\$9.02</b>

### Ratios and Supplemental data

Total net asset value (000's) <sup>4</sup>	\$26,203	\$12,313	\$7,218
Number of units outstanding (000's) <sup>4</sup>	2,155	1,182	800
Management expense ratio <sup>5</sup>	0.82%	0.82%	0.82%
Management expense ratio before waivers or absorptions <sup>5</sup>	0.97%	0.99%	1.07%
Trading expense ratio <sup>6</sup>	0.02%	0.04%	0.17%
Portfolio turnover rate <sup>7</sup>	11.44%	14.39%	9.40%
Net asset value per unit	\$12.16	\$10.41	\$9.02

#### Notes:

- (1) This information is derived from the Fund's annual audited financial statements. The information for the net asset per unit section of the financial highlights are based on IFRS Accounting Standards ("IFRS"). The Fund commenced operations on January 6, 2022.
- (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.
- (3) Distributions were paid in cash/reinvested in additional units of the Fund, or both.
- (4) This information is provided as at December 31 of the period shown.
- (5) Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (excluding commissions and other portfolio transaction costs) and the proportionate share of the underlying funds' related expenses for the stated period and is expressed as an annualized percentage of daily average net asset value during the year. The manager absorbed certain expenses of the fund, and expects these absorptions to continue in the future to keep the MER within a target range. Such absorptions may be terminated at any time without notice.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs and the proportionate share of the underlying funds' related expenses expressed as an annualized percentage of daily average net asset value during the year.
- (7) 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 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.

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## Management Fees

The breakdown of services received from 1832 Asset Management L.P. as a percentage of management fees earned is as follows:

Management Fees	Distribution	Other*
0.55%	73%	27%

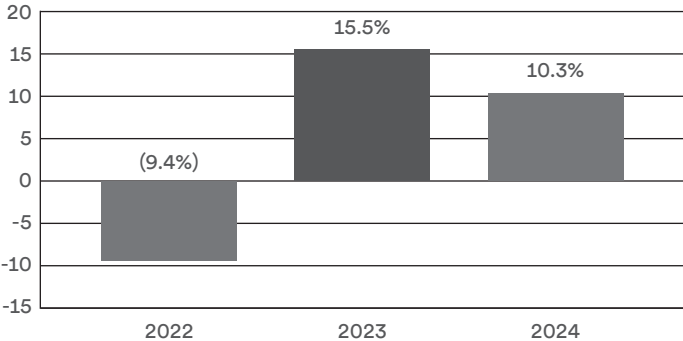
\* Includes investment advisory fees, administration fees

## Past Performance

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if the distributions were not reinvested. In addition, the performance information does not take into account any income taxes that may have been paid by investors who have invested in non-registered accounts. Past performance does not necessarily indicate how the Fund may perform in the future.

## Year-by-Year Returns

The chart below indicates the Fund’s performance in each of the years shown and illustrates how the Fund’s performance has changed from year to year. The chart demonstrates, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



## Annual Compound Returns

The following table shows the annual compound total returns of the Fund for each of the years indicated ended on December 31, 2024, compared with the following benchmarks:

Percentage return (%)	Since Inception*	1 year
Tangerine Balanced SRI Portfolio	7.7%	19.0%
Product Benchmark	8.6%	20.2%
Solactive GBS Developed Markets Large and Mid Cap CAD Index NTR	12.1%	29.3%
Solactive Broad Canadian Bond Universe Liquid ex-MPL Total Return Index	0.4%	4.0%

\* January 6, 2022

The product benchmark is composed of:

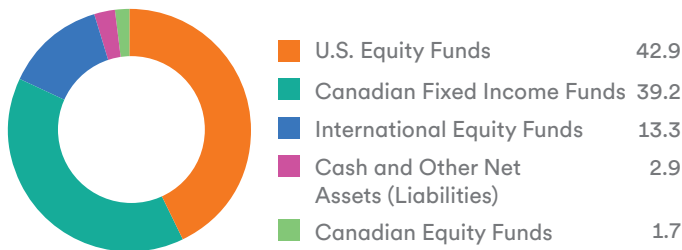
- 60% Solactive GBS Developed Markets Large and Mid Cap CAD Index NTR. This index tracks the performance of the large and mid cap segment in the developed markets and emerging markets. Regional weights are determined by the index provider and change over time. See the Fund Facts document for information on the geographic asset allocation.
- 40% Solactive Broad Canadian Bond Universe Liquid ex-MPL TR Total Return Index. This index is designed to measure the performance of liquid Canadian investment grade bonds (government and corporate bonds) excluding Canadian dollar denominated issues of foreign issuers.

For a discussion of the relative performance of the Fund as compared to the indices, see Results of Operations in the Management Discussion of Fund Performance.

Summary of Investment Portfolio

(as at December 31, 2024)

Asset Allocation\* (% of Net Asset Value)



\* Actual allocation among the three investment types may deviate from the target allocations. The allocations are reviewed on a quarterly basis and if the Fund allocations deviate from the thresholds outlined in the Simplified Prospectus, the Fund will be re-balanced back to the target weightings.

Top Holdings (as at December 31, 2024)		% of Net Asset Value
1.	Scotia Responsible Investing US Equity Index ETF	42.9%
2.	Scotia Responsible Investing Canadian Bond Index ETF	39.2%
3.	Scotia Responsible Investing International Equity Index ETF	13.3%
4.	Cash and Other Net Assets (Liabilities)	2.9%
5.	Scotia Responsible Investing Canadian Equity Index ETF	1.7%
Total		100%

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.tangerine.ca](http://www.tangerine.ca).

## A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words “may,” “could,” “should,” “would,” “suspect,” “outlook,” “believe,” “plan,” “anticipate,” “estimate,” “expect,” “intend,” “forecast,” “objective” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution the reader not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events. The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage the reader to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.