

# Audited Annual Financial Statements

For the period ended December 31, 2020

**Tangerine<sup>®</sup> ETF Portfolios**

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)



## Independent Auditor's Report

To the Unitholders and Trustee of  
Tangerine Balanced ETF Portfolio  
Tangerine Balanced Growth ETF Portfolio  
Tangerine Equity Growth ETF Portfolio  
(individually, a Fund)

### Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at December 31, 2020 and its financial performance and its cash flows for the period from November 16, 2020 (commencement of operations) to December 31, 2020 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

### What we have audited

The financial statements of each Fund comprise:

- the statement of financial position as at December 31, 2020;
- the statement of comprehensive income for the period from November 16, 2020 (commencement of operations) to December 31, 2020;
- the statement of changes in net assets attributable to holders of redeemable units for the period from November 16, 2020 (commencement of operations) to December 31, 2020;
- the statement of cash flows for the period from November 16, 2020 (commencement of operations) to December 31, 2020; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

We conducted our audit 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 report.

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

### Independence

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

### Other information

Management is responsible for the other information of each Fund. The other information comprises the Management Report of Fund Performance of each Fund.

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

In connection with our audit of the financial statements of each Fund, 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 of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 of each Fund in accordance with IFRS, 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 ability of each Fund 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 any Fund 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 each Fund.

### 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 for each Fund 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 of each Fund.

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

We 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 audit.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
March 24, 2021

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Balanced ETF Portfolio

### Statement of Financial Position

As at

	December 31, 2020
<b>Assets</b>	
<b>Current Assets</b>	
Investments (Notes 3c and 3i)	\$ 7,765,229
Cash (Note 3m)	260,120
Subscriptions receivable	1,214,455
Accrued investment income	8,208
<b>Total assets</b>	<b>9,248,012</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Payable for securities purchased	1,083,895
Redemptions payable	19,464
Accrued expenses	2,826
<b>Total current liabilities</b>	<b>1,106,185</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 8,141,827</b>
Number of redeemable units outstanding (Note 6)	817,183
Net assets attributable to holders of redeemable units per unit (Note 3e)	\$ 9.96

Approved by the board of directors of Tangerine Investment Management Inc.



Ramy Dimity, Director



Timothy Morris, Director

### Statement of Comprehensive Income

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Income</b>	
Income distribution from underlying funds	\$ 230,264
Interest for distribution purposes (Note 3j)	4
Change in unrealized depreciation on investments	(149,883)
<b>Total income</b>	<b>80,385</b>
<b>Expenses</b>	
Management fees (Note 9a)	2,062
Administrative fees (Note 9a)	619
Other expenses including indirect taxes (Note 9a)	348
Independent Review Committee fees (Note 9a)	1,471
Transaction costs (Note 3g)	3,654
<b>Total expenses</b>	<b>8,154</b>
Less: Rebated and absorbed expenses (Note 9a)	(1,673)
<b>Net expenses</b>	<b>6,481</b>
<b>Increase in net assets attributable to holders of redeemable units from operations</b>	<b>\$ 73,904</b>
Increase in net assets attributable to holders of redeemable units from operations per unit (Note 3l)	\$ 0.21

The accompanying notes are an integral part of the financial statements

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Balanced ETF Portfolio

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Net assets attributable to holders of redeemable units, beginning of the period</b>	
Increase in net assets attributable to holders of redeemable units from operations	\$ 73,904
<b>Distributions to holders of redeemable units from</b>	
Net investment income	(120,757)
<b>Total distributions to holders of redeemable units</b>	<b>(120,757)</b>
<b>Redeemable unit transactions</b>	
Proceeds from redeemable units issued	8,371,988
Reinvestments of distributions to holders of redeemable units	120,757
Redemptions of redeemable units	(304,065)
<b>Net increase from redeemable units transactions</b>	<b>8,188,680</b>
<b>Net increase in net assets attributable to holders of redeemable units for the period</b>	<b>8,141,827</b>
<b>Net assets attributable to holders of redeemable units, end of the period</b>	<b>\$ 8,141,827</b>

### Statement of Cash Flows

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Cash flows from operating activities</b>	
Increase in net assets attributable to holders of redeemable units from operations	\$ 73,904
<b>Adjustments for:</b>	
Change in unrealized (appreciation) depreciation on investments	149,883
Proceeds from sale of investments	123,389
Purchase of investments	(6,733,153)
Income distribution from underlying funds	(221,453)
<b>Net change in non-cash assets and liabilities</b>	<b>(5,382)</b>
<b>Net cash used in operating activities</b>	<b>(6,612,812)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of redeemable units	7,157,533
Amounts paid on redemptions of redeemable units	(284,601)
<b>Net cash flows from financing activities</b>	<b>6,872,932</b>
<b>Net increase in cash during the period</b>	<b>260,120</b>
Cash, beginning of the period	—
<b>Cash, end of the period</b>	<b>\$ 260,120</b>
<b>Supplemental cash flow information relating to operating activities</b>	
Interest received	\$ 4
Income from underlying funds received, net of withholding taxes	\$ 603

The accompanying notes are an integral part of the financial statements

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)



## Tangerine Balanced ETF Portfolio

### Schedule of Investments

As at December 31, 2020

Number of Shares	Security	Average Cost (\$)	Fair Value (\$)
<b>CANADIAN FIXED INCOME FUNDS (37.6% of Net Assets)</b>			
152,610	Scotia Canadian Bond Index Tracker ETF	3,057,051	3,063,402
<b>CANADIAN EQUITY FUNDS (1.6% of Net Assets)</b>			
5,700	Scotia Canadian Large Cap Equity Index Tracker ETF	134,144	126,643
<b>U.S. EQUITY FUNDS (33.1% of Net Assets)</b>			
122,220	Scotia US Equity Index Tracker ETF	2,748,433	2,697,236
<b>INTERNATIONAL EQUITY FUNDS (23.1% of Net Assets)</b>			
20,350	iShares Core MSCI Emerging Markets IMI Index ETF	612,963	619,454
55,170	Scotia International Equity Index Tracker ETF	1,362,521	1,258,494
		1,975,484	1,877,948
<b>Total investments (95.4% of Net Assets)</b>		<b>7,915,112</b>	<b>7,765,229</b>
<b>Other assets less current liabilities</b>			<b>376,598</b>
<b>Net assets attributable to holders of redeemable units ("Net Assets")</b>			<b>8,141,827</b>

### Fund Specific Notes

For the period ended December 31, 2020

#### The Fund (note 1)

The Fund seeks to provide capital appreciation by investing in a diversified mix of equity and fixed income exchange traded funds on a targeted allocation among two different types of investments in the following proportions; Fixed income (40.0%) and Equities (60.0%). Each investment type seeks to replicate, as closely as possible, the performance of a recognized securities index: the equity component seeks to replicate the Solactive GBS Global Markets Large and Mid Cap Index segment; and the fixed income component seeks to replicate the Solactive Broad Canadian Bond Universe Liquid ex MPL TR Index.

The Fund invests primarily in funds managed by the Portfolio Advisor and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the Portfolio Advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds. In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

#### Risks associated with financial instruments (note 4)

##### Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2020. The fund was indirectly exposed to currency risk as the underlying funds invest in financial instruments that are denominated in foreign currencies.

##### Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2020. Accordingly, the Fund did not have significant direct interest rate risk exposure due to fluctuations in the prevailing levels of market interest rates. However, the fund was indirectly exposed to interest rate risk as certain underlying funds invest in interest-bearing financial instruments.

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Balanced ETF Portfolio

### Fund Specific Notes

For the period ended December 31, 2020

#### Other market risk

As at December 31, 2020, approximately 95.4% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had fluctuated by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased by approximately \$776,523. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2020. However, the fund was indirectly exposed to credit risk through its investment in underlying funds.

#### Concentration risk

Below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets.

As at	December 31, 2020
Underlying Funds	As % of Net Assets
Canadian Fixed Income Funds	37.6
U.S. Equity Funds	33.1
International Equity Funds	23.1
Canadian Equity Funds	1.6
<b>Total Investments</b>	<b>95.4</b>

#### Fair value classification (note 3i)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2020	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying Funds	7,765,229	—	—	7,765,229
<b>Total Investments</b>	<b>7,765,229</b>	<b>—</b>	<b>—</b>	<b>7,765,229</b>

During the period ended December 31, 2020, there were no significant transfers between Level 1 and Level 2.

#### Interest in Underlying Funds (note 3o)

Below is a summary of the Underlying Funds held by the Fund.

December 31, 2020	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares Core MSCI Emerging Markets IMI Index ETF	619,454	0.1
Scotia Canadian Bond Index Tracker ETF	3,063,402	10.2
Scotia Canadian Large Cap Equity Index Tracker ETF	126,643	5.7
Scotia International Equity Index Tracker ETF	1,258,494	3.9
Scotia U.S. Equity Index Tracker ETF	2,697,236	9.4

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Balanced Growth ETF Portfolio

### Statement of Financial Position

As at

	December 31, 2020
<b>Assets</b>	
<b>Current Assets</b>	
Investments (Notes 3c and 3i)	\$ 28,999,154
Cash (Note 3m)	1,615,854
Subscriptions receivable	4,814,691
Accrued investment income	37,655
<b>Total assets</b>	<b>35,467,354</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Payable for securities purchased	4,378,495
Redemptions payable	83,574
Accrued expenses	9,831
<b>Total current liabilities</b>	<b>4,471,900</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 30,995,454</b>
Number of redeemable units outstanding (Note 6)	3,123,611
Net assets attributable to holders of redeemable units per unit (Note 3e)	\$ 9.92

### Statement of Comprehensive Income

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Income</b>	
Income distribution from underlying funds	\$ 1,027,216
Interest for distribution purposes (Note 3j)	16
Change in unrealized depreciation on investments	(721,946)
<b>Total income</b>	<b>305,286</b>
<b>Expenses</b>	
Management fees (Note 9a)	7,235
Administrative fees (Note 9a)	2,170
Other expenses including indirect taxes (Note 9a)	1,223
Independent Review Committee fees (Note 9a)	1,471
Transaction costs (Note 3g)	12,867
<b>Total expenses</b>	<b>24,966</b>
Less: Rebated and absorbed expenses (Note 9a)	(2,269)
<b>Net expenses</b>	<b>22,697</b>
<b>Increase in net assets attributable to holders of redeemable units from operations</b>	<b>\$ 282,589</b>
Increase in net assets attributable to holders of redeemable units from operations per unit (Note 3l)	\$ 0.23

Approved by the board of directors of Tangerine Investment Management Inc.



Ramy Dimitry, Director



Timothy Morris, Director



## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Balanced Growth ETF Portfolio

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Net assets attributable to holders of redeemable units, beginning of the period</b>	
Increase in net assets attributable to holders of redeemable units from operations	\$ 282,589
<b>Distributions to holders of redeemable units from</b>	
Net investment income	(532,048)
<b>Total distributions to holders of redeemable units</b>	<b>(532,048)</b>
<b>Redeemable unit transactions</b>	
Proceeds from redeemable units issued	31,174,910
Reinvestments of distributions to holders of redeemable units	532,048
Redemptions of redeemable units	(462,045)
<b>Net increase from redeemable units transactions</b>	<b>31,244,913</b>
<b>Net increase in net assets attributable to holders of redeemable units for the period</b>	<b>30,995,454</b>
<b>Net assets attributable to holders of redeemable units, end of the period</b>	<b>\$ 30,995,454</b>

### Statement of Cash Flows

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Cash flows from operating activities</b>	
Increase in net assets attributable to holders of redeemable units from operations	\$ 282,589
<b>Adjustments for:</b>	
Change in unrealized (appreciation) depreciation on investments	721,946
Proceeds from sale of investments	114,334
Purchase of investments	(24,468,593)
Income distribution from underlying funds	(988,346)
<b>Net change in non-cash assets and liabilities</b>	<b>(27,824)</b>
<b>Net cash used in operating activities</b>	<b>(24,365,894)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of redeemable units	26,360,219
Amounts paid on redemptions of redeemable units	(378,471)
<b>Net cash flows from financing activities</b>	<b>25,981,748</b>
<b>Net increase in cash during the period</b>	<b>1,615,854</b>
Cash, beginning of the period	—
<b>Cash, end of the period</b>	<b>\$ 1,615,854</b>
<b>Supplemental cash flow information relating to operating activities</b>	
Interest received	\$ 16
Income from underlying funds received, net of withholding taxes	\$ 1,214

The accompanying notes are an integral part of the financial statements

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)



## Tangerine Balanced Growth ETF Portfolio

### Schedule of Investments

As at December 31, 2020

Number of Shares	Security	Average Cost (\$)	Fair Value (\$)
<b>CANADIAN FIXED INCOME FUNDS (23.0% of Net Assets)</b>			
355,710	Scotia Canadian Bond Index Tracker ETF	7,125,110	7,140,309
<b>CANADIAN EQUITY FUNDS (1.9% of Net Assets)</b>			
26,510	Scotia Canadian Large Cap Equity Index Tracker ETF	623,925	589,002
<b>U.S. EQUITY FUNDS (40.5% of Net Assets)</b>			
568,180	Scotia US Equity Index Tracker ETF	12,784,821	12,538,994
<b>INTERNATIONAL EQUITY FUNDS (28.2% of Net Assets)</b>			
94,620	iShares Core MSCI Emerging Markets IMI Index ETF	2,851,870	2,880,233
256,480	Scotia International Equity Index Tracker ETF	6,335,374	5,850,616
		9,187,244	8,730,849
<b>Total investments (93.6% of Net Assets)</b>		<b>29,721,100</b>	<b>28,999,154</b>
<b>Other assets less current liabilities</b>			<b>1,996,300</b>
<b>Net assets attributable to holders of redeemable units ("Net Assets")</b>			<b>30,995,454</b>

### Fund Specific Notes

For the period ended December 31, 2020

#### The Fund (note 1)

The Fund seeks to provide capital appreciation and some income by investing in both equity and fixed income exchange traded funds on a targeted allocation among two different types of investments in the following proportions; Fixed income (25.0%) and Equities (75.0%). Each investment type seeks to replicate, as closely as possible, the performance of a recognized securities index: the equity component seeks to replicate the Solactive GBS Global Markets Large and Mid Cap Index segment; and the fixed income component seeks to replicate the Solactive Broad Canadian Bond Universe Liquid ex MPL TR Index.

The Fund invests primarily in funds managed by the Portfolio Advisor and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds. In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

#### Risks associated with financial instruments (note 4)

##### Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2020. The fund was indirectly exposed to currency risk as the underlying funds invest in financial instruments that are denominated in foreign currencies.

##### Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2020. Accordingly, the Fund did not have significant direct interest rate risk exposure due to fluctuations in the prevailing levels of market interest rates. However, the fund was indirectly exposed to interest rate risk as certain underlying funds invest in interest-bearing financial instruments.

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Balanced Growth ETF Portfolio

### Fund Specific Notes

For the period ended December 31, 2020

#### Other market risk

As at December 31, 2020, approximately 93.6% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had fluctuated by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased by approximately \$2,899,915. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

#### Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2020. However, the fund was indirectly exposed to credit risk through its investment in underlying funds.

#### Concentration risk

Below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets.

As at	December 31, 2020
Underlying Funds	As % of Net Assets
U.S. Equity Funds	40.5
International Equity Funds	28.2
Canadian Fixed Income Funds	23.0
Canadian Equity Funds	1.9
<b>Total Investments</b>	<b>93.6</b>

#### Fair value classification (note 3i)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2020	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying Funds	28,999,154	—	—	28,999,154
<b>Total Investments</b>	<b>28,999,154</b>	<b>—</b>	<b>—</b>	<b>28,999,154</b>

During the period ended December 31, 2020, there were no significant transfers between Level 1 and Level 2.

#### Interest in Underlying Funds (note 3o)

Below is a summary of the Underlying Funds held by the Fund.

December 31, 2020	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares Core MSCI Emerging Markets IMI Index ETF	2,880,233	0.3
Scotia Canadian Bond Index Tracker ETF	7,140,309	23.7
Scotia Canadian Large Cap Equity Index Tracker ETF	589,002	26.5
Scotia International Equity Index Tracker ETF	5,850,616	18.0
Scotia U.S. Equity Index Tracker ETF	12,538,994	43.7

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)



## Tangerine Equity Growth ETF Portfolio

### Statement of Financial Position

As at

	December 31, 2020
<b>Assets</b>	
<b>Current Assets</b>	
Investments (Notes 3c and 3i)	\$ 19,326,731
Cash (Note 3m)	3,209,786
Subscriptions receivable	3,154,951
Accrued investment income	28,291
<b>Total assets</b>	<b>25,719,759</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Payable for securities purchased	5,387,612
Redemptions payable	9,276
Accrued expenses	5,427
<b>Total current liabilities</b>	<b>5,402,315</b>
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 20,317,444</b>
Number of redeemable units outstanding (Note 6)	2,054,215
<b>Net assets attributable to holders of redeemable units per unit (Note 3e)</b>	<b>\$ 9.89</b>

Approved by the board of directors of Tangerine Investment Management Inc.

Ramy Dimitry, Director

Timothy Morris, Director

### Statement of Comprehensive Income

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Income</b>	
Income distribution from underlying funds	\$ 754,002
Interest for distribution purposes (Note 3j)	9
Net realized gain on investments	1
Change in unrealized depreciation on investments	(566,968)
<b>Total income</b>	<b>187,044</b>
<b>Expenses</b>	
Management fees (Note 9a)	4,038
Administrative fees (Note 9a)	1,211
Other expenses including indirect taxes (Note 9a)	682
Independent Review Committee fees (Note 9a)	1,471
Transaction costs (Note 3g)	8,423
<b>Total expenses</b>	<b>15,825</b>
Less: Rebated and absorbed expenses (Note 9a)	(1,977)
<b>Net expenses</b>	<b>13,848</b>
<b>Increase in net assets attributable to holders of redeemable units from operations</b>	<b>\$ 173,196</b>
Increase in net assets attributable to holders of redeemable units from operations per unit (Note 3l)	\$ 0.24

The accompanying notes are an integral part of the financial statements

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Tangerine Equity Growth ETF Portfolio

### Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Net assets attributable to holders of redeemable units, beginning of the period</b>	
Increase in net assets attributable to holders of redeemable units from operations	\$ 173,196
<b>Distributions to holders of redeemable units from</b>	
Net investment income	(363,274)
<b>Total distributions to holders of redeemable units</b>	<b>(363,274)</b>
<b>Redeemable unit transactions</b>	
Proceeds from redeemable units issued	20,558,016
Reinvestments of distributions to holders of redeemable units	363,274
Redemptions of redeemable units	(413,768)
<b>Net increase from redeemable units transactions</b>	<b>20,507,522</b>
<b>Net increase in net assets attributable to holders of redeemable units for the period</b>	<b>20,317,444</b>
<b>Net assets attributable to holders of redeemable units, end of the period</b>	<b>\$ 20,317,444</b>

### Statement of Cash Flows

For the period from November 16, 2020  
(commencement of operations) to December 31, 2020

	December 31, 2020
<b>Cash flows from operating activities</b>	
Increase in net assets attributable to holders of redeemable units from operations	\$ 173,196
<b>Adjustments for:</b>	
Net realized (gain) loss on investments	(1)
Change in unrealized (appreciation) depreciation on investments	566,968
Proceeds from sale of investments	106,049
Purchase of investments	(13,886,425)
Income distribution from underlying funds	(725,710)
<b>Net change in non-cash assets and liabilities</b>	<b>(22,864)</b>
<b>Net cash used in operating activities</b>	<b>(13,788,787)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of redeemable units	17,403,065
Amounts paid on redemptions of redeemable units	(404,492)
<b>Net cash flows from financing activities</b>	<b>16,998,573</b>
<b>Net increase in cash during the period</b>	<b>3,209,786</b>
Cash, beginning of the period	—
<b>Cash, end of the period</b>	<b>\$ 3,209,786</b>
<b>Supplemental cash flow information relating to operating activities</b>	
Interest received	\$ 9
Income from underlying funds received, net of withholding taxes	\$ —

The accompanying notes are an integral part of the financial statements

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)



## Tangerine Equity Growth ETF Portfolio

### Schedule of Investments

As at December 31, 2020

Number of Shares	Security	Average Cost (\$)	Fair Value (\$)
<b>CANADIAN EQUITY FUNDS (2.6% of Net Assets)</b>			
23,440	Scotia Canadian Large Cap Equity Index Tracker ETF	547,277	520,792
<b>U.S. EQUITY FUNDS (54.6% of Net Assets)</b>			
502,360	Scotia US Equity Index Tracker ETF	11,270,701	11,086,432
<b>INTERNATIONAL EQUITY FUNDS (38.0% of Net Assets)</b>			
83,660	iShares Core MSCI Emerging Markets IMI Index ETF	2,528,269	2,546,611
226,770	Scotia International Equity Index Tracker ETF	5,547,452	5,172,896
		8,075,721	7,719,507
<b>Total investments (95.2% of Net Assets)</b>		<b>19,893,699</b>	<b>19,326,731</b>
<b>Other assets less current liabilities</b>			<b>990,713</b>
<b>Net assets attributable to holders of redeemable units ("Net Assets")</b>			<b>20,317,444</b>

### Fund Specific Notes

For the period ended December 31, 2020

#### The Fund (note 1)

The Fund seeks to provide capital appreciation and growth by investing in equity exchange traded funds on a 100% targeted allocation. The investment seeks to replicate, as closely as possible, the performance of the Solactive GBS Global Markets Large and Mid Cap Index.

The Fund invests primarily in funds managed by the Portfolio Advisor and/or by the third party investment managers (the "Underlying Funds"). To ensure the Fund's composition meets the investment objectives of the Fund, the portfolio advisor monitors the Underlying Funds on an ongoing basis and rebalances the Fund's assets among the Underlying Funds. In addition to the risks described below, the Fund could be exposed to indirect risk to the extent that the Underlying Funds held financial instruments that were subject to the below risks.

#### Risks associated with financial instruments (note 4)

##### Currency risk

The Fund did not have significant direct currency risk exposure as at December 31, 2020. The fund was indirectly exposed to currency risk as the underlying funds invest in financial instruments that are denominated in foreign currencies.

##### Interest rate risk

The majority of the Fund's financial instruments were non-interest bearing as at December 31, 2020. Accordingly, the Fund did not have significant direct interest rate risk exposure due to fluctuations in the prevailing levels of market interest rates.

##### Other market risk

As at December 31, 2020, approximately 95.2% of the Fund's net assets were directly exposed to price risk. If prices of these instruments had fluctuated by 10%, with all other variables held constant, net assets attributable to holders of redeemable units of the Fund would have decreased or increased by approximately \$1,932,673. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)



## Tangerine Equity Growth ETF Portfolio

### Fund Specific Notes

For the period ended December 31, 2020

#### Credit risk

The Fund did not have significant direct exposure to bonds and debentures, money market instruments or preferred shares as at December 31, 2020. However, the fund was indirectly exposed to credit risk through its investment in underlying funds.

#### Concentration risk

Below is a summary of the Fund's concentration risk by carrying value as a percentage of net assets.

As at	December 31, 2020
Underlying Funds	As % of Net Assets
U.S. Equity Funds	54.6
International Equity Funds	38.0
Canadian Equity Funds	2.6
<b>Total Investments</b>	<b>95.2</b>

#### Fair value classification (note 3i)

Below is a summary of the classification of the Fund's financial instruments within the fair value hierarchy.

December 31, 2020	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Underlying Funds	19,326,731	—	—	19,326,731
<b>Total Investments</b>	<b>19,326,731</b>	<b>—</b>	<b>—</b>	<b>19,326,731</b>

During the period ended December 31, 2020, there were no significant transfers between Level 1 and Level 2.

#### Interest in Underlying Funds (note 3o)

Below is a summary of the Underlying Funds held by the Fund.

December 31, 2020	Carrying value of the Underlying Fund (\$)	Ownership percentage in Underlying Fund (%)
iShares Core MSCI Emerging Markets IMI Index ETF	2,546,611	0.3
Scotia Canadian Large Cap Equity Index Tracker ETF	520,792	23.4
Scotia International Equity Index Tracker ETF	5,172,896	15.9
Scotia U.S. Equity Index Tracker ETF	11,086,432	38.6

## Notes to the Financial Statements

### 1. Organization of the Fund

Tangerine Balanced ETF Portfolio, Tangerine Balanced Growth ETF Portfolio and Tangerine Equity Growth ETF Portfolio (collectively, “the Funds”, individually a “Fund”) are open-ended mutual fund trusts established under the laws of Ontario. The Funds are governed by a Master Declaration of Trust dated November 19, 2008 and amended most recently on November 10, 2020.

The Funds are domiciled in Canada and its principal business office is located at 3389 Steeles Avenue East, in Toronto, Ontario.

Tangerine Investment Management Inc. (the “Manager”) provides management services to the Fund. The principal distributor of the Fund is Tangerine Investment Funds Limited. Both companies are wholly owned subsidiaries of Tangerine Bank. Tangerine Bank is a wholly owned subsidiary of The Bank of Nova Scotia (“Scotiabank”).

1832 Asset Management L.P., (the “Portfolio Advisor”), a wholly owned subsidiary of Scotiabank, has been engaged by the Manager to manage the Funds’ portfolio investments.

The investment objectives for each of the Funds are provided in the respective Fund’s “Funds Specific Notes”. The Funds were inceptioned on November 12, 2020 with seed capital by the Manager and commenced operations on November 16, 2020.

These financial statements were authorized for issue by the Manager on March 24, 2021.

### 2. Basis of Presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements are prepared on a going concern basis using the historical cost convention, except for financial assets and liabilities that have been measured at fair value.

### 3. Summary of Significant Accounting Policies

#### 3a. Accounting estimates

The preparation of financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The most significant uses of judgments, estimates and assumptions are to classify financial instruments held by the Funds and to determine the fair value of financial instruments. Actual results may differ from these estimates.

#### 3b. Translation of foreign currencies

The Funds’ functional and presentation currency is the Canadian dollar, which is the currency of the primary economic environment in which the Funds operates.

- Financial instrument assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the Statements of Financial Position dates.
- Purchases and sales of investments classified as fair value recognized in profit and loss (“FVTPL”), investment income and expenses denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of such transactions.
- Realized foreign currency gains (losses) on investments classified as FVTPL are included in the Statements of Comprehensive Income as part of “Net realized gain (loss) on investments”.
- Unrealized foreign currency gains (losses) on investments classified as FVTPL are included in the Statements of Comprehensive Income as part of “Change in unrealized appreciation on investments”.
- Realized and unrealized foreign currency gains (losses) on non-investment assets, liabilities and investment income denominated in foreign currencies are included in the Statements of Comprehensive Income as “Net realized gain (loss) on foreign exchange” and “Change in unrealized appreciation (depreciation) on foreign exchange”, respectively.



## Notes to the Financial Statements

### 3c. Recognition and classification of financial instruments

The Funds recognize a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. The Funds' accounting policy regarding derivative instruments is described in note 3f.

The initial classification of a financial instrument depends upon the contractual cash flow characteristics of the financial assets as well as the Funds' business model for managing the financial assets. This classification is not subsequently changed except in very limited circumstances.

All financial instruments, including regular way purchases and sales of financial assets, are initially recorded at fair value on the trade date i.e., the date that the Funds commit to purchase or sell the asset. The subsequent measurement of all financial instruments depends on the initial classification.

Investment and derivative financial assets are those that are managed and whose performance is evaluated on a fair value basis and is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. Consequently, all investments and derivatives of the Funds are classified as FVTPL. Financial assets classified as FVTPL are subsequently measured at fair value. The cost of investments classified as FVTPL represents the amount paid for each security, excluding transaction costs, and is determined on an average cost basis.

Income from FVTPL financial instruments are included directly in the Statements of Comprehensive Income and are reported as "Income distribution from underlying funds", "Interest for distribution purposes", "Change in unrealized appreciation (depreciation) on investments" and "Net realized gain (loss) on investments". Income distribution from underlying funds, includes notional distributions received.

The Funds' obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount. Other financial assets and financial liabilities are measured at amortized cost, which approximates their fair value. Under this method, financial assets and liabilities reflect the amount required to be received or paid, discounted, where appropriate, at the effective rate of interest.

### 3d. Derecognition of financial instruments

#### *Financial assets*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or when the Funds have transferred substantially all the risks and rewards of ownership. If the Funds neither transfer nor retain substantially all the risks and rewards of ownership of a financial asset, the Funds derecognize the financial asset if they no longer have control over the asset.

In transfers where control over the asset is retained, the Funds continue to recognize the asset to the extent of its continuing involvement. The extent of the Funds' continuing involvement is determined by the extent to which the Funds are exposed to changes in the value of the asset.

#### *Financial liabilities*

Financial liabilities are derecognized when contractual obligations are met, revoked or have expired.

### 3e. Redeemable units

The units of the Funds contain a contractual obligation for the Funds to repurchase or redeem them for cash or another financial asset and, therefore, do not meet the criteria in IFRS for classification as equity. The Funds' redeemable units' entitlement includes a contractual obligation to distribute any net income and net capital gains annually in December in cash (at the request of the unitholder) and therefore meet the contractual obligation requirement to be classified as financial liabilities. Redeemable units are redeemable at the unitholders' option and are classified as financial liabilities. Redeemable units can be put back to each respective Fund at any date for cash equal to a proportionate share of the respective Fund's Net Assets. 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 respective Fund.

The redemption amount ("Net Assets") is the net difference between total assets and all other liabilities of each respective fund calculated in accordance with IFRS. National Instrument 81-106, "Investment Funds Continuous Disclosure", requires the Funds to calculate its daily Net Asset Value ("NAV") for subscriptions and redemptions at the fair value of the Funds' assets and liabilities. The Funds' Net Asset Value Per Unit ("NAVPU") at the date of issue or redemption is computed by dividing the NAV of the respective fund by the total number of outstanding units of the respective fund. The NAVPU is calculated as of the close of each day that the Toronto Stock Exchange is open for trading.

## Notes to the Financial Statements

The calculations of the NAV and Net Assets are both based on the closed or last traded prices of “Investments”. As such, there is no difference between NAV and Net Assets at the Statements of Financial Position date.

### 3f. Derivative transactions

Each fund is permitted by Canada’s securities law to use derivative instruments to achieve its investment objectives as set out in the Funds’ Simplified Prospectus. Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at their fair value. Derivative instruments are valued daily using normal exchange reporting sources for exchange-traded derivatives and specific broker enquiry for over-the-counter derivatives. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative and are reported on the Statements of Financial Position.

### 3g. Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment. These costs include fees and commissions paid to agents, advisors, brokers and dealers levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs incurred in the purchase and sale of investments classified as FVTPL are expensed and are included in “Transaction costs” on the Statements of Comprehensive Income.

### 3h. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported on the Statements of Financial Position when the Funds have a currently legally enforceable right to offset and the Funds either intend to settle on a net basis or realize the asset and settle the liability simultaneously.

### 3i. Fair value measurement and disclosure

#### *Fair value estimation*

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.

The fair value of financial instruments at the financial reporting date is determined as follows:

- Financial instruments that are traded in an active market are based on the quoted market prices at the close of trading on the reporting date. The Funds use the last traded market prices for both financial assets and financial liabilities where the last traded price falls within the reporting day’s end bid-ask spread. In circumstances where the last traded price is not within the reporting day’s end bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value.
- Financial instruments that are not traded in an active market are valued through valuation techniques using observable market inputs, on such basis and in such manner as established by the Manager.
- Bonds and similar securities are valued based on the closing quotation received from recognized investment dealers.

#### *Fair value hierarchy*

IFRS requires disclosures relating to fair value measurements using a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values.

The Funds’ policy for the three-level fair value hierarchy levels is as follows:

Level 1 – Fair values are based on unadjusted quoted prices from an active market for identical assets.

Level 2 – Fair values are based on inputs, other than quoted prices, that are directly or indirectly observable in an active market.

Level 3 – Fair values are based on inputs not observable in the market.

The Funds recognize a transfer between levels of the fair value hierarchy as of the end of the reporting period during which the change occurred.

### 3j. Investment transactions and income

Investment transactions are accounted for on a trade date basis. Dividend income and distributions from Underlying Funds are recognized on the ex-dividend date. The “Interest for distribution purposes” on the Statements of Comprehensive Income represents the coupon interest received by the Funds, accounted for on an accrual basis. The Funds does not amortize premiums paid or discounts received on the purchase of fixed income securities.

## Notes to the Financial Statements

Realized gain (loss) on sale of investments and unrealized appreciation (depreciation) on investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities.

### 3k. Securities lending

The Funds qualify to lend securities from time to time in order to earn additional income. The Funds receive collateral in the form of cash or qualified non-cash instruments having a fair value equal to at least 102% of the fair value of the securities loaned during the period. The Funds have the right to sell the non-cash collateral if the borrower defaults on its obligations under the transaction. The fair value of the loaned securities is determined at the close of each business day and any additional required collateral is delivered to the Funds on the following business day. Cash collateral is invested in cash equivalents. The loaned securities continue to be included in "Investments" on the Statements of Financial Position. The non-cash collateral pledged by the borrower and the related obligation of the Funds to return the collateral are not reported on the Statements of Financial Position and the Schedule of Investments.

Income on securities lending transactions is accrued with the passage of time and is included in "Securities lending income" on the Statements of Comprehensive Income.

### 3l. Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit

"Increase (decrease) in net assets attributable to holders of redeemable units from operations per unit" in the Statements of Comprehensive Income represents the "Increase (decrease) in net assets attributable to holders of redeemable units from operations" for the year divided by the weighted average number of units outstanding during the year.

### 3m. Cash and Bank overdraft

Cash comprises of deposits in banks. Any overdrawn bank account is included in the "Current Liabilities" as "Bank Overdraft".

### 3n. Non-cash transactions

Non-cash transactions on the Statement of Cash Flows include reinvested distributions from the underlying mutual funds. These amounts represent non-cash income recognized in the Statement of Comprehensive Income.

### 3o. Investments 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.

The investments into underlying investment ETF funds ("Underlying Funds") are un-consolidated structured entities since decision making about Underlying Funds' activities is generally not governed by voting or similar rights held by the Funds and other investors in any Underlying Funds.

The Funds do not provide and have not committed to provide any additional significant financial or other support to the Underlying Funds.

## 4. Financial Instrument Risk

The Funds' activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks on the Funds' performance by employing professional, experienced portfolio advisors; by daily monitoring of the Funds' position and market events; by diversifying the investment portfolio within the constraints of the investment objectives; and by using derivatives to hedge certain risk exposures. The Funds' exposures to risk, where applicable, are disclosed in the respective Fund's "Fund Specific Notes".

Market disruptions associated with the COVID-19 pandemic have had a global impact, and uncertainty exists as to the long-term implications. Such disruptions can adversely affect the financial instrument risks associated with the Funds.

### 4a. Currency risk

Currency risk arises from financial instruments that are denominated in currencies other than the Canadian dollar. The Funds are exposed to the risk that the Canadian dollar value of investments and cash denominated in other currencies will fluctuate due to changes in exchange rates. When the value of the Canadian dollar falls in relation to foreign currencies, then the Canadian dollar value of foreign investments and cash rises. When the value of the Canadian dollar rises, the Canadian dollar value of foreign investments and cash falls. As at December 31, 2020, the funds had no significant assets or liabilities denominated in foreign currencies and therefore does not have direct exposure to currency risk. The funds were indirectly exposed to currency risk as the underlying funds invest in financial instruments that are denominated in foreign currencies.

## Notes to the Financial Statements

### 4b. Interest rate risk

The Funds are exposed to the risk that the fair value or future cash flows of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. As at December 31, 2020, the majority of the funds' direct financial assets and liabilities are either short-term investments or non-interest bearing; accordingly, the funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. However, the funds were indirectly exposed to interest rate risk as certain underlying funds invest in interest-bearing financial instruments. The Funds' exposure to interest rate risk arising from cash and short-term investments is minimal. The Portfolio Advisor reviews the Funds' overall interest rate sensitivity as part of the investment management process.

### 4c. Other market risk

Other market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer, or other factors affecting all instruments traded in a market or market segment. All securities present a risk of loss of capital. The Funds' investment portfolios are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Funds manage their exposure to other market risk by diversifying their portfolio of underlying ETFs.

### 4d. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. All transactions executed by the Funds in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

As at December 31, 2020, the funds had no significant direct investments in fixed income investments and/or forward currency contracts. However, the funds were indirectly exposed to credit risk through its investment in underlying funds.

### 4e. Liquidity risk

All financial liabilities of the Funds mature within one year or less. In addition, the Funds are exposed to daily cash redemptions of redeemable units. Therefore, in accordance with securities legislation, the Funds maintain at least 90% of its assets in investments that are traded in an active market and can be readily disposed. In addition, the Funds retain sufficient cash and cash equivalent positions to maintain liquidity.

As at December 31, 2020, the funds were indirectly exposed to liquidity risk through its investment in underlying funds.

### 4f. Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, asset type, industry sector or counterparty type.

As at December 31, 2020, the funds were indirectly exposed to concentration risk through its investment in underlying funds.

## 5. Income Tax

The Funds qualify or intend to qualify as mutual fund trusts under the Income Tax Act (Canada) (the "Tax Act") and, accordingly, is not subject to income tax on the portion of its net income, including net realized capital gains, which is paid or payable to unitholders. Such distributed income is taxable in the hands of the unitholders. The taxation year end for the Funds is December 15, 2020.

Temporary differences between the carrying value of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. The most significant temporary difference is between the reported fair value of the Funds' investment portfolio and its adjusted cost base for income tax purposes. Since the Funds' distribution policy is to distribute all net realized capital gains, deferred tax liabilities with respect to unrealized capital gains and deferred tax assets with respect to unrealized capital losses are not realized by the Funds and are, therefore, not recorded by the Funds.

## Tangerine ETF Portfolios

Audited Financial Statements for the period ended December 31, 2020  
(In Canadian dollars, unless otherwise indicated)

## Notes to the Financial Statements

As of the 2020 tax year end, the Funds have capital and non-capital losses available to carry forward as presented below:

Funds Name	Total Capital Losses \$	Total Non-Capital Losses \$
Tangerine Balanced ETF Portfolio	179	—
Tangerine Balanced Growth ETF Portfolio	146	—
Tangerine Equity Growth ETF Portfolio	98	—

### 6. Redeemable Units

The Funds are authorized to issue an unlimited number of transferable, redeemable trust units of one class, which represent an equal, undivided interest in each of the respective Net Assets of the Fund.

The capital of the Funds is represented by the net assets attributable to holders of the redeemable units with no par value. The units are entitled to distributions, if any, and to a proportionate share of the Funds' net assets attributable to holders of redeemable units. Each unitholder has one vote for each unit owned as determined at the close of business on the record date for voting at a meeting. There are no voting rights attributed to fractions of a unit. The Funds have no restrictions or specific capital requirements on the subscriptions and redemptions of units.

The number of units issued, reinvested, redeemed and outstanding were as follows:

Tangerine Balanced ETF Portfolio	
Balance Beginning of the Period	—
Units Issued	835,243
Units Reinvested	12,186
Units Redeemed	(30,246)
Balance End of the Period	817,183
Tangerine Balanced Growth ETF Portfolio	
Balance Beginning of the Period	—
Units Issued	3,115,941
Units Reinvested	53,960
Units Redeemed	(46,290)
Balance End of the Period	3,123,611

Tangerine Equity Growth ETF Portfolio	
Balance Beginning of the Period	—
Units Issued	2,058,539
Units Reinvested	36,956
Units Redeemed	(41,280)
Balance End of the Period	2,054,215

The Funds' objectives are to manage capital to safeguard the Funds' ability to continue as a going concern; to provide financial capacity and flexibility to meet its strategic objectives; and to provide an adequate return to unitholders commensurate with the level of risk while maximizing the distributions to unitholders.

Since both the revenue and expenses of the Funds are reasonably predictable and stable and since the Funds do not have any externally imposed capital requirements, the Manager believes that current levels of distributions, capital and capital structure are sufficient to sustain ongoing operations. The Manager actively monitors the cash position and financial performance of the Funds to ensure resources are available to meet current distribution levels.

### 7. Securities Lending

There were no securities loaned and collateral held as at December 31, 2020.

### 8. Soft Dollar Commissions

Brokerage business is allocated to brokers based on an assessment as to which broker can deliver the best results to the Funds. Business may be allocated to brokers that provide, in addition to transaction execution, investment research services which may or may not be used by the Manager during its investment decision-making process. No portion of the broker commissions were related to soft dollar costs during the period ended December 31, 2020.

## Notes to the Financial Statements

### 9. Related Party Transactions

#### 9a. Management fees, administration fees and other expenses

The Manager charges fees in connection with management services at a rate of 0.50% per year of the Funds' daily NAV. The Funds also pay a fixed administration fee to the Manager equal to 0.15 % per year of the Funds' daily NAVs to cover regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and Funds valuation costs, custodial fees, audit and legal fees, the costs of preparing and distributing annual and semi-annual reports, prospectuses, financial statements and investor communications. Finally, certain operating expenses are paid directly by the Funds, including the costs and expenses related to the Independent Review Committee; the cost of any government or regulatory requirements introduced after July 1, 2007; and borrowing costs and taxes (including, but not limited to, GST and HST). The Manager, at its sole discretion, may absorb a portion of the Funds' expenses and these are reflected in the Statements of Comprehensive Income as "Rebated and absorbed expenses". Such waivers or absorptions may be terminated at any time without notice. Where the Funds invest in one or more underlying ETFs that each charge a management fee and the underlying fund is managed by the Manager or one of its affiliates or associates, the Manager waives or absorbs its management fee by an amount that is equal to any underlying ETF management fee that is incurred by the Fund.

Where a Fund invests in an ETF, there are fees and expenses payable by that ETF in addition to those paid by the Fund. However, no management or incentive fees are payable by a Fund if the payment of those fees could reasonably be perceived as a duplication of fees payable by the exchange traded fund for the same services. No sales or redemption fees, other than brokerage fees, are payable by a Fund when it buys or sells securities of an ETF that is managed by us or one of our affiliates or associates, or if the payment of such fees could reasonably be perceived as a duplication of fees paid by an investor in the Fund.

#### 9b. Buying and selling securities

The Funds primarily invest in ETFs issued and managed by The Scotiabank or its subsidiaries. Refer to the Schedule of Investments for details.

### 10. Offsetting of Financial Assets and Financial Liabilities

The Funds have not offset financial assets and financial liabilities on their Statements of Financial Position nor do they transact in financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

