

# Annual Management Report of Fund Performance (MRFP)

For the year ended December 31, 2024

## **Tangerine<sup>®</sup> Dividend 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, 16<sup>th</sup> Floor, Toronto, ON, M5H0B4, 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 Dividend Portfolio

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## Manager and Portfolio Advisor

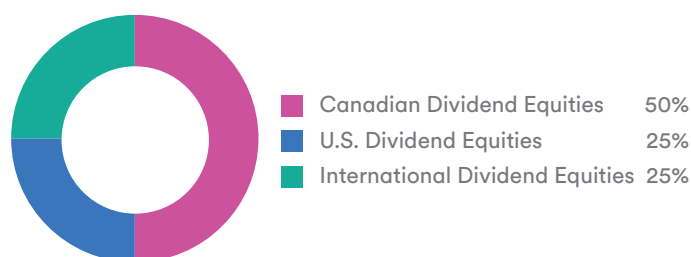
1832 Asset Management L.P. (the “Manager”)

## Sub-advisor

State Street Global Advisors, Ltd. (the “sub-advisor”)

## Investment Objective and Strategies

The Tangerine Dividend Portfolio (the “Fund”) seeks to provide capital appreciation and dividend income by investing in equity securities based on a targeted allocation among three different types of investments in the following proportions:



Each of the three investment types seek to replicate, as closely as possible, the performance of a recognized securities index. Currently, the Canadian dividend equities component seeks to replicate the MSCI Canada High Dividend Yield Index, the U.S. dividend equities component seeks to replicate the MSCI USA High Dividend Yield Index, and the EAFE dividend equities component seeks to replicate the MSCI EAFE High Dividend Yield Index.

## 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 \$411 million at December 31, 2024 and \$321 million at December 31, 2023. The Fund’s net assets increased by \$90 million over the one year period ending on December 31, 2024. The change was composed of investment performance of \$62 and net subscriptions of \$29 million.

## Investment Results

Global economic activity expanded further, closing 2024 on a high note as strong growth in service sector activity offset manufacturing weakness. Inflation ticked higher in major developed economies, sitting above central banks targets. The global macro cycle has now come to a critical juncture with the inauguration of the next US presidency. The then president-elect made a few announcements on imposing tariffs on a

broad swathe of US imports, but it remains to be seen how much of this could become reality. The global easing cycle continued at a brisk pace in December, with lower rates observed across various countries, including in the US, Canada, and the eurozone. In 2024, the much-anticipated central bank interest rate pivot materialized with several major central banks easing monetary policy. The Bank of Canada (BoC) reduced its policy rate by 50 bp in December, cumulatively cutting by 175 bp in 2024, the most among major Developed Market (DM) central banks, with market participants anticipating 3 further cuts in 2025 (forecasted to move lower to 2.25% by December 2025). Overall on a global scale, 2025 is likely to offer considerable uncertainty, but global rates may continue to ease, while disinflation may get bumpier.

Across Canada and since our last update, the Canadian economy has evolved largely in line with our expectations and a couple of headwinds are expected to come. GDP growth slowed down sharply in Q3, and weak underlying momentum is likely to continue in the near term. Our growth forecast for 2024 remains unchanged at 1.1%. We downgraded 2025 growth by four tenths to 1.3%, given increasing downside risks to trade and immigration curbs. However, we expect GDP per capita, which contracted in Q3 for the sixth consecutive quarter, will likely bounce back next year given supportive fiscal policy, monetary easing, and at-target inflation.

Inflation returned to 2% much faster than the BoC and market expected, partly driven by lower energy prices. Meanwhile, the labor market continues to loosen. The unemployment rate reached a record high of 6.8% in November, driven by a higher participation rate. Mortgage rule changes will support the housing market as a result of the lower interest rates and lower borrowing costs which have gained some traction already. In addition, longer 30-year amortization periods for first-time home buyers purchasing new builds, as well as an increase in the cap for insured mortgages, should contribute to a moderate increase in home sales and prices next year.

Population growth has been strong, which was mainly driven by a surge in immigration. However, the recent immigrants are largely categorized as temporary residents including low-skilled workers and students. These newcomers are likely unemployed or in low-earning jobs, dampening growth in income per capita while adding upward pressure on infrastructure such as housing and healthcare. This has led the government to implement a new immigration plan to decrease admissions of permanent and temporary residents by more than 20% annually over 2025-2027. Given policy lags, we expect population growth will not completely decline but moderate sharply, still suggesting a drag on aggregate demand and labor supply.

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The proposed 25% tariffs by the then US president-elect Trump while clearly a bargaining tool, do imply higher possibility of a disruptive USMCA (United States-Mexico-Canada Agreement), followed by the other likelihood that Trump may impose targeted tariffs on specific areas including steel and some agricultural products rather than a universal tariff. Given such uncertainties, the worst-case scenario would be when Canada faces a universal tariff, and the US withdraws from USMCA. In that case, we expect faster rate cuts from the BoC to support demand, while the central bank will likely look through high import inflation.

Political uncertainty and little fiscal space left indicate a shallow path for fiscal policy in 2025. Disagreements within the incumbent government on fiscal policy leading to the Finance Minister Chrystia Freeland's resignation, lowered the chance of many of the measures announced in the 2024 Fall Economic Statement being implemented.

Heading into 2025, the economic growth will likely pick up slightly in Q1, supported by increased consumer spending on the back of policy changes such as GST holidays. Still, some of positive impact from GST holidays will reflect consumers pulling forward purchases, implying softer spending in Q2.

Canadian dividend stocks, Tangerine Dividend – Portfolio – Canadian Dividend Equity (the fund) was up by 23.46% while the MSCI Canada High Dividend Yield Index, finished the year up by 23.55%. Similarly, international equities, Tangerine Dividend – Portfolio – International Dividend Equity (the fund) was up by 12.40% while the MSCI EAFE High Dividend Yield Index, up by 12.36% in Canadian-dollar terms. Finally, In the U.S., Tangerine Dividend – Portfolio – U.S. Dividend Equity (the fund) was up by 21.19% while the MSCI USA High Dividend Yield Index ended the year up by 20.72% in Canadian-dollar terms.

## Canadian Dividend Equities

Within the Fund's Canadian equities component, Financials sector enjoyed the highest return, followed by Energy and Materials. At the same time, Communication Services had lowest returns during this period followed by Consumer Discretionary and Utilities. The best performing securities within the MSCI Canada High Dividend Yield Index were Manulife Financial Corporation, followed by Royal Bank of Canada and Suncor Energy Inc. While BCE Inc. , TELUS Corporation and Toronto-Dominion Bank were at the same time the worst performing securities within the index.

## U.S. Dividend Equities

Within the Fund's U.S. equities component, Information Technology enjoyed the highest total return, followed by Financials and Industrials. Materials had negative performance during the reported period, followed by Communication

Services and Health Care. From an individual securities perspective the best performing stocks within the MSCI USA High Yield Dividend Index was Broadcom Inc., followed by Procter & Gamble Company and Exxon Mobil Corporation for the reported period. These stocks suffered the worst return for the reported period: CVS Health Corporation, Microchip Technology Incorporated and Cigna Group.

## International Dividend Equities

Within the Fund's international equities component, the best performing sector was Financials , followed by Consumer Staples and Health Care. While Materials had negative performance during the reporting period, followed by Energy and Industrials. The best performing securities during the reported period were Unilever PLC followed by Allianz SE and DBS Group Holdings Ltd . The worst performing securities were BHP Group Ltd followed by Stellantis N.V. and Fortescue Ltd.

## Recent Developments

On April 1<sup>st</sup>, 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

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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.

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

No related-party brokerage commissions were paid.

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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 each of the past five years ended December 31. 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	2021	2020
<b>Net assets – beginning of year</b>	<b>\$13.23</b>	<b>\$12.50</b>	<b>\$12.78</b>	<b>\$10.73</b>	<b>\$11.73</b>
<b>Increase (decrease) from operations:</b>					
Total revenue	0.62	0.58	0.55	0.49	0.49
Total expenses	(0.15)	(0.14)	(0.13)	(0.13)	(0.11)
Realized gains (losses) for the year	1.32	0.42	0.46	0.30	(0.51)
Unrealized gains (losses) for the year	0.68	0.50	(0.77)	1.69	(0.38)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$2.47</b>	<b>\$1.36</b>	<b>\$0.11</b>	<b>\$2.35</b>	<b>\$(0.51)</b>
<b>Distributions:</b>					
From income (excluding dividends)	(0.09)	(0.10)	(0.14)	(0.08)	(0.09)
From dividends	(0.34)	(0.30)	(0.27)	(0.25)	(0.27)
From capital gains	(0.94)	(0.24)	—	—	—
Return of capital	—	—	—	—	—
<b>Total annual distributions<sup>3</sup></b>	<b>(1.37)</b>	<b>(0.64)</b>	<b>(0.41)</b>	<b>(0.33)</b>	<b>(0.36)</b>
<b>Net assets – end of year</b>	<b>\$14.35</b>	<b>\$13.23</b>	<b>\$12.50</b>	<b>\$12.78</b>	<b>\$10.73</b>

### Ratios and Supplemental data

Total net asset value (000's) <sup>4</sup>	\$410,958	\$320,518	\$273,621	\$236,142	\$172,626
Number of units outstanding (000's) <sup>4</sup>	28,645	24,232	21,896	18,476	16,089
Management expense ratio <sup>5</sup>	1.06%	1.06%	1.06%	1.06%	1.06%
Management expense ratio before waivers or absorptions <sup>5</sup>	1.06%	1.06%	1.06%	1.06%	1.07%
Trading expense ratio <sup>6</sup>	0.03%	0.03%	0.03%	0.03%	0.06%
Portfolio turnover rate <sup>7</sup>	47.61%	45.94%	39.07%	34.87%	44.62%
Net asset value per unit	\$14.35	\$13.23	\$12.50	\$12.78	\$10.73

#### 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").
- (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 years shown.
- (5) Management expense ratio ("MER") is based on total expenses plus harmonized sales tax (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 year. The manager absorbed certain expenses of the fund. Such absorptions may be terminated at any time without notice.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs 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 period. 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 Tangerine Investment Management Inc. as a percentage of management fees earned is as follows:

Management Fees	Distribution	Other*
0.80%	50%	50%

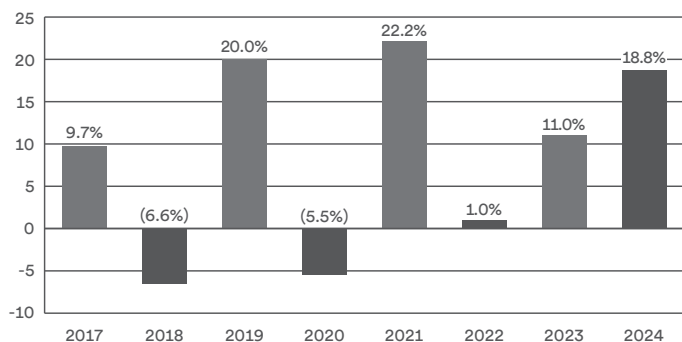
\* Includes investment advisory fees, administration fees

## 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*	Past 5 years	Past 3 years	Past Year
Tangerine Dividend	8.7%	9.0%	10.0%	18.8%
Product Benchmark – Dividend	9.9%	10.0%	11.1%	18.9%
MSCI Canada High Dividend Yield Index (C\$)	10.8%	12.1%	12.4%	23.6%
MSCI USA High Dividend Yield Index (C\$)	9.8%	8.6%	8.4%	20.7%
MSCI EAFE High Dividend Yield Index (C\$)	7.6%	6.7%	10.6%	12.4%

\* November 2, 2016

The product benchmark is composed of:

- 50% MSCI Canada High Dividend Yield Index: The Index is based on the MSCI Canada Index, its parent index, and includes large and mid-cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.†
- 25% MSCI USA High Dividend Yield Index: The Index is based on the MSCI USA Index, its parent index, and includes large and mid-cap stocks. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.†
- 25% MSCI EAFE High Dividend Yield Index: The Index is based on MSCI EAFE, its parent index, and includes large and mid cap representation across Developed Markets countries around the world, excluding the US and Canada. The index is designed to reflect the performance of equities in the parent index (excluding REITs) with higher dividend income and quality characteristics than average dividend yields that are both sustainable and persistent.†

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.

† The index also applies quality screens and reviews 12-month past performance to omit stocks with potentially deteriorating fundamentals that could force them to cut or reduce dividends.

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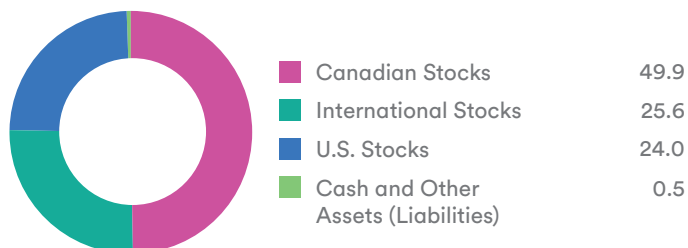
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## Summary of Investment Portfolio

(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 25 Holdings (as at December 31, 2024)		% of Net Asset Value
1.	Emera Incorporated	2.7%
2.	Tourmaline Oil Corp.	2.7%
3.	IGM Financial Inc.	2.6%
4.	Enbridge Inc.	2.6%
5.	Canadian Utilities Limited Cl. A	2.6%
6.	Sun Life Financial Inc.	2.6%
7.	Royal Bank of Canada	2.6%
8.	Canadian Tire Corporation, Limited Cl. A	2.5%
9.	Power Corporation of Canada	2.5%
10.	Great-West Lifeco Inc.	2.5%
11.	Keyera Corp.	2.5%
12.	Quebecor Inc. Cl. B	2.5%
13.	The Toronto-Dominion Bank	2.5%
14.	Manulife Financial Corporation	2.5%
15.	Magna International Inc.	2.5%
16.	Fortis Inc.	2.5%
17.	Suncor Energy Inc.	2.4%
18.	Pembina Pipeline Corporation	2.3%
19.	TELUS Corporation	2.3%
20.	BCE Inc.	2.2%
21.	Unilever PLC	1.2%
22.	Roche Holding AG Non-Voting	1.2%
23.	Novartis AG Registered Shares	1.2%
24.	TotalEnergies SE	1.1%
25.	Allianz SE Registered Shares	1.1%
<b>Total Top 25</b>		<b>55.9%</b>

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.