DISCLOSURE
This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 1 800 267-2332, by writing to us at MD Financial Management Inc., 1870 Alta Vista Drive, Ottawa, Ontario, K1G 6R7, or by visiting our website at md.ca or SEDAR at sedar.com. Security holders may also contact us using one of these methods to request a copy of the investment fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
A Message to MD Family of Funds Investors

Dear MD Family of Funds Investor:

As part of our commitment to keeping you informed about your MD Fund investments, please find attached the 2019 Annual Management Report of Fund Performance (MRFP). If you also opted to receive the fund’s financial statements, they are included in this package.

The annual MRFP is a regulatory document that supplements the annual financial statements. The document includes a brief discussion and analysis of the fund’s investment activities, performance and financial highlights, as well as an explanation of how the markets and overall asset mix have affected the fund.

The report is produced on a fund–by–fund basis, and your report only includes information on the funds you owned as of December 31, 2019.

If you have any questions regarding these documents, please contact your MD Advisor or the MD Trade Centre at 1 800 267–2332.

We thank you for your continued investment in the MD Family of Funds.

MD Financial Management Inc. wholly owns or has a majority interest in its seven subsidiaries (the MD Group of Companies). It provides financial products and services, is the fund manager for the MD Family of Funds and offers investment counselling services. For a detailed list of the MD Group of Companies, visit md.ca.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments.

The rate of return is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual fund or returns on investment in the mutual fund. Standard performance data assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges payable by any securityholder which would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Please read the prospectus before investing. You may obtain a copy of the prospectus before investing by calling your MD Advisor or the MD Trade Centre at 1 800 267–2332.
Investment Objectives and Strategies

The investment objective of the MDPIM S&P/TSX Capped Composite Index Pool (the “Fund”) is to provide long-term capital growth by investing primarily in Canadian equity securities that track the holdings of the S&P/TSX Capped Composite index, a generally recognized broad based Canadian equity market index. The Fund invests directly in the securities that make up the index and is adjusted to reflect changes in the benchmark index. The Fund may purchase exchange-traded funds that track the index. The Fund may not invest in companies that manufacture tobacco or tobacco-related products or cannabis or cannabis related products.

Risk

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

Results of Operations

For the year ended December 31, 2019, the Fund had total returns of 23.3% (Series A), and 23.4% (Series F).

With a return of 22.9% for the S&P/TSX Capped Composite, Canadian equities rebounded after declining in 2018 for the first time since 2015. Sectors such as IT (+64.9%), Utilities (+37.5%) and Industrials (+25.6%) were the primary drivers of the strong equity returns in 2019. The Health Care sector (−10.9%) was the only sector to post a negative return in 2019 due to a reversal of fortune for cannabis stocks. The Canadian economy continues to grow with expectations for real GDP growth of 1.6% in 2020 and 1.8% in 2021. As of December 31, 2019, investors are forecasting earnings growth for Canadian equities of 8.4% for 2020, which implies a P/E of 14.8x 2020 forecasted earnings.

As at December 31, 2019, the total net asset value of the Fund was $318 million, a 54% decrease since the beginning of the year. The decrease is due to net redemption and income distributions to unitholders, offset by net investment income.

Recent Developments

STRATEGIC CHANGES

There were no strategic changes. The Fund’s core investment philosophy is to seek diversification through balanced exposure to securities in the Canadian equity market.

MANAGEMENT FEE REDUCTIONS

On June 13, 2019, the management fee of Series F was reduced from 0.05% to 0.04%.

Related Party Transactions

MD Financial Management Inc. is the Manager, Registrar and Trustee of the Fund. As Manager, MD Financial Management Inc. manages the overall business of the MDPIM Pools and is responsible for: setting investment objectives, providing and/or retaining the services of third party service providers for fund accounting services, administration services, and promoting the sales of the Fund’s units.

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia (Scotiabank). The Manager, on behalf of the Fund, may enter into transactions or arrangements with other members of Scotiabank or certain other companies that are related or connected to the Manager (each a “related party”). All transactions between the Fund and the related parties are in the normal course of business and are carried out at arm’s length terms.

As Registrar, MD Financial Management Inc. keeps track of the owners of units of the MDPIM Pools, processes purchase, transfer and redemption orders, issues investor account statements, and issues annual tax reporting information.

As the Fund is organized as a Trust, investing in the Fund means purchasing units of the Trust. As Trustee to the Fund, MD Financial Management Inc. holds actual title to the property in the Fund—the cash and securities the Fund invests in—on behalf of the unitholders.

Units of the MDPIM Pools are only available to clients of MD Private Trust Company or discretionary managed account clients of MD Financial Management Inc. MD Management Limited ceased to be the principal distributor of the MDPIM Pools as effective October 29, 2018, except for Series F units of the Pools which are available through accounts held at MD Management Limited, which acts as principal distributor in respect of those units. MD Management Limited is a wholly owned subsidiary of MD Financial Management Inc.

INDEPENDENT REVIEW COMMITTEE

The Manager has established an independent review committee (the “IRC”) in accordance with National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) with a mandate to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the Fund. The IRC is responsible for overseeing the Manager’s decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107.

The IRC may also approve certain mergers between the Fund and other funds and any change of the auditor of the Fund. Subject to any corporate and securities law requirements, no securityholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, securityholder approval may be required to approve certain mergers.

The IRC has five members: Carol S. Perry (Chair), Stephen J. Griggs, Simon Hitzig, Heather A.T. Hunter and Jennifer L. Witterick, each of whom is independent of the Manager.
The IRC prepares and files a report to the securityholders each fiscal year that describes the IRC and its activities for securityholders, as well as contains a complete list of the standing instructions. These standing instructions enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures established to address that conflict of interest matter and reports periodically to the IRC on the matter. This report to the securityholders is available on the Manager’s website or, at no cost, by contacting the Manager.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Fund as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. The main components of compensation are an annual retainer and a fee for each committee meeting attended. The chair of the IRC is entitled to an additional fee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses.

The Manager, in respect of its management of the Fund, received the following standing instructions from the IRC with respect to related party transactions:

- Paying brokerage commissions and spreads to a related party for effecting security transactions on an agency and principal basis on behalf of the Fund;
- Purchases or sales of securities of an issuer from or to another investment fund managed by the Manager;
- Investments in the securities of issuers for which a related underwriter acted as an underwriter during the distribution of such securities and the 60-day period following the completion of such distribution;
- Executing foreign exchange transactions with a related party on behalf of the Fund;
- Purchases of securities of a related party;
- Entering into over-the-counter derivatives on behalf of the Fund with a related party;

The Manager is required to advise the IRC of any breach of a condition of any standing instructions. The standing instructions require, among other things, that the investment decision in respect to a related party transaction: (a) is made by the Manager free from any influence by an entity related to the Manager and without taking into account any consideration to any associate or affiliate of the Manager; (b) represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (c) is made in compliance with the Manager’s written policies and procedures. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC to monitor compliance.

The Manager, in respect of its management of the Fund relied on IRC standing instructions regarding related party transactions during the period.

### Past Performance

The following bar chart shows the Fund’s annual performance for each of the years shown, and illustrates how the Fund’s performance changed from year to year. The chart shows, in percentage terms, how much an investment made on the first day of each calendar year would have grown or decreased by the last day of each calendar year.

The performance information assumes that all distributions made by the Fund were reinvested in additional units of the Fund and does not take into account sales, redemption, distribution or other optional charges that would reduce returns. How the Fund has performed in the past does not necessarily indicate how the Fund will perform in the future.

#### YEAR−BY−YEAR RETURNS

- **Series A**
  - 2019: 23.3%
  - 2018: 23.4%
  - 2017†: -8.7%

- **Series F**
  - 2019: 23.4%
  - 2018: 23.39%

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

#### ANNUAL COMPOUND RETURNS

- **MDPIM S&P/TSX Capped Composite Index Pool − Series A**
  - 1 year: 23.34%
  - Since Inception: 6.77%

- **MDPIM S&P/TSX Capped Composite Index Pool − Series F**
  - 1 year: 23.39%
  - Since Inception: 5.85%

- **S&P/TSX Capped Composite Index**
  - 1 year: 22.88%
  - Since Inception: 6.82%

*The Fund started series A units on April 4, 2017.
†The Fund started series F units on January 9, 2018.
As the MDPIM S&P/TSX Capped Composite Index Pool is an index fund, the Fund is designed to replicate the performance of the S&P/TSX Capped Composite Index as closely as possible. Any deviation of the Pool’s return from the S&P/TSX Capped Composite is a function of cash flows in and out of the pool and zero allocation to cannabis and tobacco stocks.

**Regarding Forward–Looking Statements**

This document contains forward–looking statements. Such statements are generally identifiable by the terminology used, such as “plan”, “anticipate”, “intend”, “expect”, “estimate”, or other similar wording.

These forward–looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices; fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Fund may not be those anticipated. Actual results may differ materially from the results anticipated in these forward–looking statements.
Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for the past five years, if applicable. This information is derived from the Fund’s audited annual financial statements.

THE FUND’S NET ASSETS PER UNIT

<table>
<thead>
<tr>
<th>SERIES A</th>
<th>2019</th>
<th>2018</th>
<th>2017*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets – beginning of the year</td>
<td>$9.22</td>
<td>$10.43</td>
<td>$10.00</td>
</tr>
<tr>
<td>Increase (decrease) from operations:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$0.32</td>
<td>$0.31</td>
<td>$0.20</td>
</tr>
<tr>
<td>Total expenses</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net realized gains (losses) for the year</td>
<td>$0.50</td>
<td>$(0.01)</td>
<td>$–</td>
</tr>
<tr>
<td>Net unrealized gains (losses) for the year</td>
<td>$1.86</td>
<td>$(1.19)</td>
<td>$0.47</td>
</tr>
<tr>
<td>Total increase (decrease) from operations</td>
<td>$2.68</td>
<td>$(0.89)</td>
<td>$0.67</td>
</tr>
<tr>
<td>Distributions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>From income (excluding dividends)</td>
<td>$(0.02)</td>
<td>$(0.01)</td>
<td>$0.01</td>
</tr>
<tr>
<td>From dividends</td>
<td>$(0.43)</td>
<td>$(0.28)</td>
<td>$0.14</td>
</tr>
<tr>
<td>From capital gains</td>
<td>–</td>
<td>$(0.03)</td>
<td>–</td>
</tr>
<tr>
<td>Return of capital</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total annual distributions</td>
<td>$(0.45)</td>
<td>$(0.32)</td>
<td>$0.15</td>
</tr>
<tr>
<td>Net assets – end of the year</td>
<td>$10.90</td>
<td>$9.22</td>
<td>$10.43</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SERIES F</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets – beginning of the year</td>
<td>$8.92</td>
<td>$10.00</td>
</tr>
<tr>
<td>Increase (decrease) from operations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenue</td>
<td>$0.33</td>
<td>$0.30</td>
</tr>
<tr>
<td>Total expenses</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net realized gains (losses) for the year</td>
<td>$0.68</td>
<td>$(0.03)</td>
</tr>
<tr>
<td>Net unrealized gains (losses) for the year</td>
<td>$0.74</td>
<td>$(1.88)</td>
</tr>
<tr>
<td>Total increase (decrease) from operations</td>
<td>$1.75</td>
<td>$(1.61)</td>
</tr>
<tr>
<td>Distributions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From income (excluding dividends)</td>
<td>$(0.01)</td>
<td>$(0.01)</td>
</tr>
<tr>
<td>From dividends</td>
<td>$(0.25)</td>
<td>$(0.14)</td>
</tr>
<tr>
<td>From capital gains</td>
<td>–</td>
<td>$(0.01)</td>
</tr>
<tr>
<td>Return of capital</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Total annual distributions</td>
<td>$(0.26)</td>
<td>$(0.16)</td>
</tr>
<tr>
<td>Net assets – end of the year</td>
<td>$10.73</td>
<td>$8.92</td>
</tr>
</tbody>
</table>

1. This information is derived from the Fund’s audited annual financial statements.
2. Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial year. This table is not intended to be a reconciliation of beginning to ending net assets per unit.
3. Distributions were paid in cash or reinvested in additional units of the Fund, or both.
4. The results shown are for the period April 28, 2017 - December 31, 2017.
5. The results shown are for the period January 9, 2018 - December 31, 2018.
RATIOS AND SUPPLEMENTAL DATA

<table>
<thead>
<tr>
<th>SERIES A</th>
<th>Year ended December 31</th>
<th>2019</th>
<th>2018</th>
<th>2017(^5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net assets, end of the year(^1)</td>
<td>$305,269,064</td>
<td>$691,679,209</td>
<td>$711,412,661</td>
<td></td>
</tr>
<tr>
<td>Number of units outstanding</td>
<td>27,994,911</td>
<td>75,057,718</td>
<td>68,179,069</td>
<td></td>
</tr>
<tr>
<td>Management expense ratio(^2)</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Management expense ratio before tax</td>
<td>0.00%</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Management expense ratio before waivers or absorptions</td>
<td>0.06%</td>
<td>0.05%</td>
<td>0.07%</td>
<td></td>
</tr>
<tr>
<td>Trading expense ratio(^3)</td>
<td>0.05%</td>
<td>0.01%</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td>Portfolio turnover rate(^4)</td>
<td>20.86%</td>
<td>9.98%</td>
<td>5.72%</td>
<td></td>
</tr>
<tr>
<td>Net assets per unit</td>
<td>$10.90</td>
<td>$9.22</td>
<td>$10.43</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SERIES F</th>
<th>Year ended December 31</th>
<th>2019</th>
<th>2018(^6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net assets, end of the year(^1)</td>
<td>$12,759,129</td>
<td>$4,350,084</td>
<td></td>
</tr>
<tr>
<td>Number of units outstanding</td>
<td>1,189,461</td>
<td>487,831</td>
<td></td>
</tr>
<tr>
<td>Management expense ratio(^2)</td>
<td>0.05%</td>
<td>0.05%</td>
<td></td>
</tr>
<tr>
<td>Management expense ratio before tax</td>
<td>0.04%</td>
<td>0.05%</td>
<td></td>
</tr>
<tr>
<td>Management expense ratio before waivers or absorptions</td>
<td>0.11%</td>
<td>0.11%</td>
<td></td>
</tr>
<tr>
<td>Trading expense ratio(^3)</td>
<td>0.05%</td>
<td>0.01%</td>
<td></td>
</tr>
<tr>
<td>Portfolio turnover rate(^4)</td>
<td>20.86%</td>
<td>9.98%</td>
<td></td>
</tr>
<tr>
<td>Net assets per unit</td>
<td>$10.73</td>
<td>$8.92</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) This information is provided as at December 31 of the year shown.
\(^2\) The management expense ratio ("MER") is based on total expenses for the stated period (excluding commissions, withholding taxes and other portfolio transaction costs) and the Fund’s proportionate share of the MER, if applicable, of exchange traded funds ("ETFs") in which the Fund has invested, expressed as an annualized percentage of daily average net asset value during the period.
\(^3\) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.
\(^4\) The Fund’s portfolio turnover rate indicates how actively the Fund’s portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund’s portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
\(^5\) The results shown are for the period April 28, 2017 - December 31, 2017.
\(^6\) The results shown are for the period January 9, 2018 - December 31, 2018.
NET ASSETS: $318.0 MILLION

97.3% Domestic Equities
1.7% Foreign Equities
1.0% Cash and Other Net Assets

TOP 25 HOLDINGS (PERCENTAGE OF NET ASSETS)

- Royal Bank of Canada: 6.1%
- The Toronto–Dominion Bank: 5.5%
- Enbridge Inc.: 4.3%
- The Bank of Nova Scotia: 3.7%
- Canadian National Railway Company: 3.5%
- Brookfield Asset Management Inc. Cl. A: 2.9%
- Suncor Energy Inc.: 2.7%
- TC Energy Corporation: 2.7%
- Bank of Montreal: 2.7%
- BCE Inc.: 2.2%
- Shopify Inc. Cl. A: 2.2%
- Manulife Financial Corporation: 2.1%
- Canadian Natural Resources, Ltd.: 2.1%
- Canadian Imperial Bank of Commerce: 2.0%
- Canadian Pacific Railway Limited: 1.9%
- Barrick Gold Corporation: 1.8%
- Alimentation Couche–Tard Inc. Cl. B: 1.5%
- Nutrien Ltd.: 1.5%
- Sun Life Financial Inc.: 1.4%
- Waste Connections, Inc.: 1.3%
- TELUS Corporation: 1.3%
- CGI Inc.: 1.1%
- Franco–Nevada Corporation: 1.0%
- Pembina Pipeline Corporation: 1.0%
- Constellation Software Inc.: 1.0%

PORTFOLIO ALLOCATION

DOMESTIC EQUITIES
- Consumer Discretionary: 6.7%
- Consumer Staples: 2.4%
- Energy: 17.1%
- Financials: 35.7%
- Health Care: 0.6%
- Industrials: 10.2%
- Information Technology: 5.7%
- Materials: 11.1%
- Telecommunication Services: 4.4%
- Utilities: 3.4%

Total: 97.3%

FOREIGN EQUITIES
- Bermuda: 1.6%
- Cayman Islands: 0.1%

Total: 1.7%

CASH AND SHORT−TERM INVESTMENTS
- 0.8%

OTHER NET ASSETS
- 0.2%

TOTAL NET ASSETS
100.0%

The Cash and Short−Term Investments and Other Net Assets may appear negative due to the timing of cash flows between the trade date and settlement date for transactions on underlying securities.

Note: Summary of Investment Portfolio may change due to ongoing portfolio transactions of the investment fund. A quarterly update is available.

The Net Assets, Portfolio Allocation and Top 25 Holdings in the tables are based on the net assets as at December 31, 2019.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. To obtain a copy of the prospectus, please call your MD Advisor, or the MD Trade Centre at 1 800 267–2332.