DISCLOSURE

This interim management report of fund performance contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can obtain a copy of the interim financial statements at your request, and at no cost, by calling 1 800 267-2332, by writing to us at MD Financial Management Inc., 1670 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 Interim Management Report of Fund Performance (MRFP). If you also opted to receive the fund’s financial statements, they are included in this package.

The interim MRFP is a regulatory document that supplements the interim financial statements. The document includes a brief discussion and analysis of the funds as well as an explanation of how the markets and overall asset mix have affected the fund 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 June 30, 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.
Results of Operations

For the six-month period ended June 30, 2019, the Fund had a total return of 10.4% (series A).

Markets started the year on a very positive note following the global stock market sell-off in December 2018 which saw multiple negative events converge at once including Brexit, Italian budget concerns, the US-China trade conflict and the US Federal Reserve raising interest rates. Markets have since recovered as some of those fears have abated while numerous factors remain supportive for the economy.

Global economic growth remains positive despite slowing down as the effects of the trade war have begun to take effect. The slowdown has been particularly acute in Europe and China. As a result, central banks around the globe have shifted to a more dovish stance, signalling a willingness to help stimulate their economies if necessary. Towards the end of the first half of the year, bond markets began to price in a high probability of rate cuts.

The MDPIM Strategic Opportunities Pool delivered strong returns over the period even as the strengthening Canadian dollar detracted from performance due to the Fund’s global exposure. The Fund’s performance was led by material exposure to US equities including real estate, small-cap and micro-cap securities. Exposure to gold miners, infrastructure and water sectors also delivered strong returns for the Fund.

Commodities have mostly declined throughout the year and natural resources have underperformed relative to other sectors. Precious metals have been split with gold greatly outperforming silver, as gold has benefited from increased demand by central banks and use as a safe haven asset for investors.

Tactical asset allocation benefited from a pro-cyclical stance throughout the first half of the year and has added value to the fund, with an overweight to small and micro-cap equities relative to underweights in physical commodities adding value.

As at June 30, 2019, the total net asset value of the Fund was $1.26 billion, an increase of 7% since the beginning of the year. The increase is due to net investment income, partially offset by net redemptions and income distributions to unitholders.

Recent Developments

STRATEGIC CHANGES

The Fund continues to be managed in a manner consistent with its investment mandate. The Investment Advisor has adhered to their investment disciplines and portfolio strategies, and they are in line to achieve the long-term objectives of the Fund. On June 20, 2019 the Fund’s benchmark became a blend of:

- 7.2% S&P Global Ex-U.S. Small Cap Index
- 10.7% CRSP US Small Cap Index
- 5.0% Russell Microcap Index
- 1.4% Deutsche Bank DBIQ Optimum Yield Industrial Metals Index
- 1.6% Deutsche Bank DBIQ Optimum Yield Diversified Commodity Index
- 1.1% Deutsche Bank DBIQ Diversified Agriculture Index
- 2.2% Bloomberg Gold Tracker Index
- 2.0% Bloomberg Silver Subindex
- 2.7% Solactive Global Silver Miners Index
- 5.9% NYSE Arca Gold Miners Index
- 7.8% MSCI US REIT Index
- 9.9% S&P Global Infrastructure Index
- 1.5% S&P Global Water Index

- 1.2% NASDAQ OMX Global Water Index
- 2.6% NASDAQ OMX US Water Index
- 11.6% S&P Global Natural Resources Index
- 7.0% MVIS Global Agribusiness Index
- 1.7% S&P Global Timber and Forestry Index
- 6.9% MSCI World Index
- 6.4% Dow Jones Global ex-US Select Real Estate Securities Index
- 1.3% Solactive Global Lithium Index
- 1.3% ISE Water Index
- 1.0% FTSE Canada 91 Day T-Bill Index

The previous benchmark for the Fund was:

- 9.0% S&P Global Ex-U.S. Small Cap Index
- 12.2% CRSP US Small Cap Index
- 5.9% Russell Microcap Index
- 1.9% Deutsche Bank DBIQ Diversified Base Metals Index
- 2.2% Deutsche Bank DBIQ Optimum Yield Diversified Commodity Index
- 3.4% Bloomberg Silver Subindex
- 7.6% MSCI US REIT Index
- 7.4% Dow Jones Global ex-US Select Real Estate Securities Index
- 8.0% S&P Global Infrastructure Index
- 1.2% S&P Global Water Index
- 0.7% NASDAQ OMX Global Water Index
- 2.5% NASDAQ OMX US Water Index
- 12.9% S&P Global Natural Resources Index
- 1.2% S&P Global Timber and Forestry Index
- 7.8% MVIS Global Agribusiness Index
- 6.6% NYSE Arca Gold Miners Index
- 3.3% Solactive Global Silver Miners Index
- 5.2% MSCI World Index
- 1.0% FTSE/TMX Canada 91 Day T-Bill Index

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.

INDEPENDENT REVIEW COMMITTEE

The independent review committee (the IRC) for the Fund has 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 has five members, all of whom are independent of the Manager: Carol S. Perry (Chair), Simon Hitzig, Heather Hunter, Stephen Griggs and Jennifer Witterick.

The Manager referred certain conflict of interest matters to the IRC in relation to related party transactions and the IRC provided the Manager with approvals or positive recommendations to proceed, as appropriate, with respect to these related party transactions. These approvals/positive recommendations were provided by way of standing instruction which enable the Manager to act in a particular conflict of interest matter on a continuous basis, provided the Manager complies with its policies and procedures established to address that conflict of interest matter and report periodically to the IRC on the matter:

- Paying brokerage commissions and spreads to a related party for effecting security transactions on an agency and principal basis on behalf of the Fund
- 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 Fund relied on IRC standing instructions regarding related party transactions during the period.

Management Fees

MD Financial Management Inc. provides the Fund with management and administrative services. No management fee is charged in respect of units of the Fund. Investors in these units have agreed to pay a managed account fee directly to MD Financial Management Inc.

The Fund invests a large proportion of its assets in ETFs, which are managed by parties unrelated to MD Financial Management Inc. Because those ETFs pay their managers a management fee and bear certain operating costs, the management expense ratio (“MER”) for the Fund includes the fees and expenses of those ETFs.

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.
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 and unaudited interim financial statements.

### THE FUND’S NET ASSETS PER UNIT

<table>
<thead>
<tr>
<th>SERIES A</th>
<th>Six months ended</th>
<th>Year ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets – beginning of the period</td>
<td>$13.31</td>
<td>$14.24</td>
</tr>
</tbody>
</table>

Increase (decrease) from operations:

- **Net realized gains (losses) for the period**: $0.46, $0.30, $0.84, $0.18, $0.29, $0.32
- **Net unrealized gains (losses) for the period**: $0.82, $(1.01), $0.41, $0.79, $0.39, $0.31

Total increase (decrease) from operations: $1.40, $(0.43), $1.51, $1.26, $1.03, $0.97

Distributions:

- **From income (excluding dividends)**: $(0.25), $(0.36), $(0.30), $(0.30), $(0.30), $(0.23)
- **From dividends**: $-, $-, $-, $-, $-, $-
- **From capital gains**: $-, $(0.26), $(0.59), $(0.03), $(0.19), $(0.52)
- **Return of capital**: $-, $-, $-, $-, $-, $-

Total annual distributions: $(0.51), $(0.95), $(0.33), $(0.49), $(0.75)

Net assets – end of the period: $14.70, $13.31, $14.24, $13.69, $12.80, $12.22

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1 This information is derived from the Fund’s audited annual financial statements and unaudited interim 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.

### RATIOS AND SUPPLEMENTAL DATA

<table>
<thead>
<tr>
<th>SERIES A</th>
<th>Six months ended</th>
<th>Year ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net assets, end of the period</td>
<td>$1,261,040,735</td>
<td>$1,177,221,717</td>
</tr>
<tr>
<td>Number of units outstanding</td>
<td>85,771,539</td>
<td>88,440,531</td>
</tr>
<tr>
<td>Management expense ratio</td>
<td>0.38%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Management expense ratio before tax</td>
<td>0.38%</td>
<td>0.39%</td>
</tr>
<tr>
<td>Management expense ratio before waivers or absorptions</td>
<td>0.41%</td>
<td>0.42%</td>
</tr>
<tr>
<td>Trading expense ratio</td>
<td>0.04%</td>
<td>0.01%</td>
</tr>
<tr>
<td>Portfolio turnover rate</td>
<td>67.05%</td>
<td>27.03%</td>
</tr>
<tr>
<td>Net assets per unit</td>
<td>$14.70</td>
<td>$13.31</td>
</tr>
</tbody>
</table>

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1 This information is provided as at June 30 or December 31 of the period 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.
NET ASSETS: $1,261.0 MILLION

<table>
<thead>
<tr>
<th>Portion</th>
<th>Percentage</th>
<th>Net Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange Traded Funds – Equity</td>
<td>94.4%</td>
<td>$1,210.0 million</td>
</tr>
<tr>
<td>Exchange Traded Funds – Other</td>
<td>5.2%</td>
<td>$61.0 million</td>
</tr>
<tr>
<td>Cash and Other Net Assets</td>
<td>0.4%</td>
<td>$5.0 million</td>
</tr>
<tr>
<td>Other Net Assets</td>
<td>(0.1%)</td>
<td>($1.0 million)</td>
</tr>
<tr>
<td>TOTAL NET ASSETS</td>
<td>100.0%</td>
<td>$1,261.0 million</td>
</tr>
</tbody>
</table>

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.

TOP 25 HOLDINGS (PERCENTAGE OF NET ASSETS)

iShares Global Infrastructure ETF 12.4%
Vanguard Small-Cap ETF 10.7%
Vanguard REIT ETF 9.8%
Vanguard FTSE All World ex-US Small-Cap ETF 9.2%
SPDR Dow Jones International Real Estate ETF 8.1%
iShares Edge MSCI Min Vol Global ETF 6.9%
VanEck Vector Gold Miners ETF 5.9%
FlexShares Morningstar Global Upstream Natural Resources Index Fund 5.6%
iShares Microcap ETF 5.0%
SPDR S&P Global Natural Resources ETF 3.6%
VanEck Vectors Agribusiness ETF 3.0%
Invesco Water Resources ETF 2.6%
SPDR Gold Trust 2.2%
iShares Silver Trust 2.0%
Invesco S&P Global Water Index ETF 1.5%
iShares MSCI Emerging Markets Small-Cap ETF 1.4%
SPDR S&P Emerging Markets SmallCap ETF 1.3%
First Trust Water ETF 1.3%
Global X Lithium & Battery Tech ETF 1.3%
iShares Global Timber & Forestry ETF 1.3%
Invesco Global Water ETF 1.2%
Vanguard Global ex-U.S. Real Estate ETF 1.1%
Global X Silver Miners ETF 1.1%
Cash and short-term investments 0.5%
iShares Optimum Yield Diversified Commodity Strategy ETF 0.4%

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 June 30, 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.