



MD Financial  
Management Inc.

MD Family of Funds

2023 Interim

Financial Statements



# A Message Regarding Your Financial Statements

Dear MD Family of Funds Investor:

As part of our commitment to keeping you informed about your MD fund investments, please find attached the 2023 Interim Financial Statements.

The Interim Financial Statements are produced on a fund-by-fund basis, and your report only includes information on the funds you owned as of June 30, 2023.

If you have any questions regarding these documents, please contact your MD advisor or the MD TradeCentre at 1 800 267-2332. We thank you for your continued investment in the MD Family of Funds.

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## **Interim Unaudited Financial Statements for the Six-Month Period Ended June 30, 2023**

These Interim Unaudited Financial Statements do not contain the Interim Management Report of Fund Performance ("MRFP") of the investment fund. If you have not received a copy of the Interim MRFP with this report, you may obtain a copy of the Interim MRFP at your request, and at no cost, by calling the toll-free number 1 800 267-2332, by writing to us at MD Financial Management Inc., 1870 Alta Vista Drive, Ottawa ON K1G 6R7, by visiting our website at [md.ca](http://md.ca) or by visiting the SEDAR website at [sedar.com](http://sedar.com). Copies of the Annual Financial Statements or Annual MRFP may also be obtained, at no cost, using any of the methods outlined above. Securityholders 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.

## **NOTICE OF NO AUDITOR REVIEW OF THE INTERIM FINANCIAL STATEMENTS**

MD Financial Management Inc, the Manager of the Fund, appoints independent auditors to audit the Fund's Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Interim Financial Statements, this must be disclosed in an accompanying notice. The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

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](http://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.

# MD Family of Funds

## Management's Responsibility for Financial Reporting

Management acknowledges responsibility for the preparation and presentation of the financial statements of MD Money Fund, MD Bond Fund, MD Short-Term Bond Fund, MD Precision Canadian Balanced Growth Fund, MD Precision Canadian Moderate Growth Fund, MD Dividend Growth Fund, MD Equity Fund, MD Canadian Equity Fund, MD American Value Fund, MD American Growth Fund, MD International Value Fund, MD International Growth Fund, MD Growth Investments Limited, MD Strategic Yield Fund, MD Strategic Opportunities Fund, MD Precision Conservative Portfolio, MD Precision Moderate Balanced Portfolio, MD Precision Balanced Growth Portfolio, MD Precision Maximum Growth Portfolio, MD Precision Balanced Income Portfolio, MD Precision Moderate Growth Portfolio, MD Precision Conservative Index Portfolio, MD Precision Moderate Balanced Index Portfolio, MD Precision Balanced Growth Index Portfolio, MD Precision Maximum Growth Index Portfolio, MDPIIM Canadian Equity Pool, MDPIIM US Equity Pool, MD Fossil Fuel Free Bond Fund™, MD Fossil Fuel Free Equity Fund™, MDPIIM S&P TSX Capped Composite Index Pool, MDPIIM S&P 500 Index Pool, MDPIIM International Equity Index Pool, and MDPIIM Emerging Markets Equity Pool (collectively "the funds"). The MDPIIM S&P TSX Capped Composite Index Pool, MDPIIM S&P 500 Index Pool, MDPIIM International Equity Index Pool and MDPIIM Emerging Markets Equity Pool are funds from the MDPIIM Family of Funds, offered under separate Prospectus to discretionary managed accounts clients of MD Private Investment Counsel, however these Pools offer Series F units which are available to clients of MD Management Limited. These financial statements have also been approved, in its capacity as trustee, by the Board of Directors of MD Financial Management Inc., with the exception of MD Growth Investments Limited, which has been approved by its own Board of Directors.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Management has, where required, made these judgments and estimates on a reasonable basis to ensure that the financial statements are presented fairly in all material respects. Management also maintains strong internal controls to provide reasonable assurance that the financial information provided is reliable and accurate, that the funds' assets are appropriately accounted for and safeguarded, and that any compliance requirements arising under corporate legislation, securities regulations and internal codes of business conduct are strictly adhered to.

The Board of Directors of MD Financial Management Inc. and MD Growth Investments Limited are responsible to ensure that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the respective financial statements as outlined above.

The Board of Directors for MD Financial Management Inc. and MD Growth Investments Limited ("the Boards"), meet with the external auditors periodically to discuss internal control, accounting and auditing matters and financial reporting issues in order to satisfy themselves that each party's Board of Directors has properly discharged its statutory responsibilities with regard to financial reporting. The Boards review unaudited semi-annual financial statements and audited annual financial statements including the external auditors' report thereon. The Boards consider these findings when making their ultimate approval of the financial statements for issuance. The Boards also review the appointment of the external auditors annually.

KPMG LLP is the external auditor of the funds. The auditor of the funds has not reviewed these interim financial statements.

Signed on behalf of MD Growth Investments Limited.



Craig Maddock  
President and Chief Executive Officer  
MD Growth Investments Limited



Katie Shulha  
Chief Financial Officer  
MD Growth Investments Limited

Signed on behalf of MD Financial Management Inc., in its capacity as trustee for MD Money Fund, MD Bond Fund, MD Short-Term Bond Fund, MD Precision Canadian Balanced Growth Fund, MD Precision Canadian Moderate Growth Fund, MD Dividend Growth Fund, MD Equity Fund, MD Canadian Equity Fund, MD American Value Fund, MD American Growth Fund, MD International Value Fund, MD International Growth Fund, MD Strategic Yield Fund, MD Strategic Opportunities Fund, MD Precision Conservative Portfolio, MD Precision Moderate Balanced Portfolio, MD Precision Balanced Growth Portfolio, MD Precision Maximum Growth Portfolio, MD Precision Balanced Income Portfolio, MD Precision Moderate Growth Portfolio, MD Precision Conservative Index Portfolio, MD Precision Moderate Balanced Index Portfolio, MD Precision Balanced Growth Index Portfolio, MD Precision Maximum Growth Index Portfolio, MDPIIM Canadian Equity Pool, MDPIIM US Equity Pool, MD Fossil Fuel Free Bond Fund and MD Fossil Fuel Free Equity Fund, MDPIIM S&P TSX Capped Composite Index Pool, MDPIIM S&P 500 Index Pool, MDPIIM International Equity Index Pool and MDPIIM Emerging Markets Equity Pool.



Pamela Allen  
President and Chief Executive Officer  
MD Financial Management Inc.



Rob Charters  
Chief Financial Officer  
MD Financial Management Inc.

# MD Short-Term Bond Fund

## Financial Statements

### Statements of Financial Position (unaudited)

(in \$000's except for units outstanding and per unit amounts)

	June 30, 2023	December 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Investments (Note 3, 8 and 9)	\$ 374,179	\$ 398,279
Cash	3,262	3,427
Dividends and interest receivable	2,556	2,670
Financial derivative instruments (Note 3)	290	32
Net margin and collateral due from broker on futures contracts	46	127
Receivable for investment transactions	2	391
Subscriptions receivable	1	11
	380,336	404,937
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accrued expenses (Note 4)	3	3
Payable for investment transactions	185	43
Distributions payable	8	-
Deferred income taxes	4	1
Redemptions payable	242	51
Financial derivative instruments (Note 3)	17	1,865
	459	1,963
<b>Net assets attributable to holders of redeemable units</b>	<b>\$ 379,877</b>	<b>\$ 402,974</b>
<b>Net assets attributable to holders of redeemable units per series</b>		
Series A	\$ 26,305	\$ 30,995
Series D	\$ 206	\$ 111
Series F	\$ 40,232	\$ 39,731
Series I	\$ 313,134	\$ 332,137
<b>Number of redeemable units outstanding (see Fund Specific Notes)</b>		
Series A	2,714,197	3,190,624
Series D	21,772	11,756
Series F	4,285,050	4,221,556
Series I	31,960,294	33,811,384
<b>Net assets attributable to holders of redeemable units per unit, per series</b>		
Series A	\$ 9.69	\$ 9.71
Series D	\$ 9.45	\$ 9.47
Series F	\$ 9.39	\$ 9.41
Series I	\$ 9.80	\$ 9.82

### Statements of Comprehensive Income (unaudited)

for the periods ended June 30 (in \$000's except for per unit amounts)

	2023	2022
<b>Income</b>		
Net gain (loss) on investments		
Dividends	\$ 41	\$ 75
Interest for distribution purposes	6,279	5,949
Net realized gain (loss) on sale of investments	(5,055)	(5,819)
Change in unrealized appreciation (depreciation) of investments	3,645	(22,918)
Net gain (loss) on investments	4,910	(22,713)
Net gain (loss) on derivative instruments		
Net realized gain (loss) on derivative instruments	(1,024)	937
Change in unrealized appreciation (depreciation) of derivative instruments	2,106	(670)
Net gain (loss) on derivatives instruments	1,082	267
<b>Other Income</b>		
Foreign exchange gain (loss) on cash	(51)	37
Securities lending (see Fund Specific Notes)	14	26
Other	-	1
Total other income	(37)	64
Total income (loss)	5,955	(22,382)
<b>Expenses</b>		
Management fees (Note 4)	142	195
Administration fees (Note 4)	26	32
Interest expense	1	-
Withholding tax on foreign income	18	22
Capital Tax	-	1
Transaction costs (Note 5)	4	1
Total expenses	191	251
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	<b>\$ 5,764</b>	<b>\$ (22,633)</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units per series</b>		
Series A	\$ 313	\$ (2,115)
Series D	\$ -	\$ (8)
Series F	\$ 546	\$ (2,065)
Series I	\$ 4,905	\$ (18,445)
<b>Increase (decrease) in net assets attributable to holders of redeemable units per unit, per series</b>		
Series A	\$ 0.11	\$ (0.53)
Series D	\$ -	\$ (0.50)
Series F	\$ 0.13	\$ (0.47)
Series I	\$ 0.15	\$ (0.48)

The accompanying notes are an integral part of these financial statements.

# MD Short-Term Bond Fund

## Financial Statements

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units ("Net Assets") (unaudited)

for the periods ended June 30 (in \$000's)

	2023	2022
<b>SERIES A</b>		
<b>Net assets - beginning of period</b>	\$ 30,995	\$ 43,338
Add (deduct) changes during the period:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	313	(2,115)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	268	917
Cash paid for redemption of redeemable units	(5,261)	(5,120)
Units issued on reinvestment of distributions	330	304
	(4,663)	(3,899)
<b>Distributions</b>		
From net investment income	(340)	(318)
	(340)	(318)
<b>Net assets - end of period</b>	\$ 26,305	\$ 37,006
<b>SERIES D</b>		
<b>Net assets - beginning of period</b>	\$ 111	\$ 301
Add (deduct) changes during the period:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	-	(8)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	114	30
Cash paid for redemption of redeemable units	(19)	(212)
Units issued on reinvestment of distributions	2	2
	97	(180)
<b>Distributions</b>		
From net investment income	(2)	(2)
	(2)	(2)
<b>Net assets - end of period</b>	\$ 206	\$ 111

	2023	2022
<b>SERIES F</b>		
<b>Net assets - beginning of period</b>	\$ 39,731	\$ 44,711
Add (deduct) changes during the period:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	546	(2,065)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	4,589	4,605
Cash paid for redemption of redeemable units	(4,600)	(5,354)
Units issued on reinvestment of distributions	615	532
	604	(217)
<b>Distributions</b>		
From net investment income	(649)	(536)
	(649)	(536)
<b>Net assets - end of period</b>	\$ 40,232	\$ 41,893
<b>SERIES I</b>		
<b>Net assets - beginning of period</b>	\$ 332,137	\$ 415,954
Add (deduct) changes during the period:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	4,905	(18,445)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	1,155	14,619
Cash paid for redemption of redeemable units	(25,063)	(53,309)
Units issued on reinvestment of distributions	5,535	5,121
	(18,373)	(33,569)
<b>Distributions</b>		
From net investment income	(5,535)	(5,121)
	(5,535)	(5,121)
<b>Net assets - end of period</b>	\$ 313,134	\$ 358,819

The accompanying notes are an integral part of these financial statements.

# MD Short-Term Bond Fund

## Financial Statements

### Statements of Changes in Net Assets Attributable to Holders of Redeemable Units ("Net Assets") (unaudited) (Continued)

for the periods ended June 30 (in \$000's)

	2023	2022
<b>TOTAL FUND</b>		
<b>Net assets - beginning of period</b>	\$ 402,974	\$ 504,304
Add (deduct) changes during the period:		
<b>Operations</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	5,764	(22,633)
<b>Redeemable unit transactions</b>		
Proceeds from issue of redeemable units	6,126	20,171
Cash paid for redemption of redeemable units	(34,943)	(63,995)
Units issued on reinvestment of distributions	6,482	5,959
	(22,335)	(37,865)
<b>Distributions</b>		
From net investment income	(6,526)	(5,977)
	(6,526)	(5,977)
<b>Net assets - end of period</b>	\$ 379,877	\$ 437,829

### Statements of Cash Flows (unaudited)

for the periods ended June 30 (in \$000's)

	2023	2022
<b>Cash flows from (used in) operating activities</b>		
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>	\$ 5,764	\$ (22,633)
<b>Adjustments for:</b>		
Proceeds from sale of investments	413,886	362,165
Purchase of investments	(390,655)	(403,170)
Amortization income	(10)	(16)
Unrealized foreign exchange (gain) loss on cash	3	(13)
Net realized (gain) loss on sale of investments	5,055	5,819
Change in unrealized (appreciation) depreciation of investments	(3,645)	22,918
Change in unrealized (appreciation) depreciation of derivative instruments	(2,106)	670
Net change in non-cash working capital	198	(446)
<b>Net cash from (used in) operating activities</b>	28,490	(34,706)
<b>Cash flows from (used in) financing activities</b>		
Proceeds from issue of redeemable units	3,774	19,609
Distributions to holders of redeemable units, net of reinvested distribution	(36)	(18)
Cash paid for redemption of redeemable units	(32,390)	(62,914)
<b>Net cash from (used in) financing activities</b>	(28,652)	(43,323)
<b>Unrealized foreign exchange gain (loss) on cash</b>	(3)	13
<b>Net increase (decrease) in cash during the period</b>	(165)	(78,016)
<b>Cash, beginning of period</b>	3,427	83,912
<b>Cash, end of period</b>	\$ 3,262	\$ 5,896
Interest received	6,377	5,431
Dividends received, net of withholding taxes	39	63

The accompanying notes are an integral part of these financial statements.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
<b>DOMESTIC BONDS</b>					
<b>Corporate Bonds (42.3%)</b>					
1011778 B.C. Unlimited Liability Company / New Red Finance, Inc.	02/15/2029	3.50%	99 USD	120	115
1011778 B.C. Unlimited Liability Company / New Red Finance, Inc.	01/15/2028	3.88%	36 USD	46	44
1011778 B.C. Unlimited Liability Company / New Red Finance, Inc.	10/15/2030	4.00%	273 USD	360	310
407 International Inc.	05/04/2027	2.43%	2,000	1,806	1,852
Air Canada	07/01/2025	4.00%	85 USD	169	156
Alectra Inc.	05/17/2027	2.49%	500	465	461
AltaGas Ltd.	06/10/2025	2.16%	369	360	346
AltaGas Ltd.	05/15/2026	4.64%	2,110	2,110	2,066
AltaLink, LP	06/06/2024	3.40%	1,680	1,768	1,650
Bank of Montreal	07/09/2024	0.63%	70 USD	89	88
Bank of Montreal	06/01/2027	4.31%	3,000	3,000	2,905
Bank of Montreal	05/29/2028	5.04%	227	227	226
Bank of Montreal	05/26/2082	5.63%	4,000	4,000	3,703
Bank of Montreal	10/27/2032	6.53%	212	212	218
bclMC Realty Corporation	03/31/2027	3.00%	500	505	463
Bell Canada Inc.	03/02/2026	3.55%	3,640	3,935	3,481
BMW Canada Inc.	02/10/2025	4.76%	552	552	546
Brookfield Infrastructure Finance ULC	11/14/2027	5.62%	248	248	249
Bruce Power LP	06/21/2024	3.00%	1,680	1,715	1,640
Canadian Imperial Bank of Commerce	07/15/2026	1.70%	3,000	3,020	2,702
Canadian Imperial Bank of Commerce	05/26/2025	3.30%	4,620	4,909	4,460
Canadian Imperial Bank of Commerce	06/29/2027	4.95%	109	109	108
Canadian Imperial Bank of Commerce	10/07/2027	5.05%	372	371	369
Canadian National Railway Company	05/10/2030	4.15%	146	145	142
Canadian Natural Resources Limited	06/03/2024	3.55%	1,320	1,418	1,297
Canadian Pacific Railway Company	12/02/2024	1.35%	40 USD	49	50
Canadian Western Bank	01/30/2025	2.61%	420	430	398
Canadian Western Bank	09/02/2027	5.15%	165	165	162
CARDS II Trust	05/15/2025	4.33%	279	279	273
CARDS II Trust Series B	01/15/2026	5.11%	104	104	103
CDP Financial Inc. 3.70% Mar 08/28	03/08/2028	3.70%	151	151	148
Cenovus Energy Inc.	02/07/2028	3.50%	115	118	108
Cenovus Energy Inc.	04/15/2027	4.25%	34 USD	48	43
Cenovus Energy Inc.	06/15/2037	5.25%	16 USD	21	20
Cenovus Energy Inc.	11/15/2039	6.75%	43 USD	64	60
Central 1 Credit Union	01/29/2026	1.32%	350	350	312
Central 1 Credit Union	02/07/2028	4.65%	142	142	135
Central 1 Credit Union	09/29/2025	5.42%	170	170	168
CHIP Mortgage Trust	11/15/2046	1.50%	338	335	316
CHIP Mortgage Trust	12/15/2045	1.74%	65	61	58
Choice Properties Real Estate Investment Trust	01/10/2025	3.55%	2,520	2,635	2,438
Coast Capital Savings Federal Credit Union	04/21/2025	4.26%	401	401	384
Coast Capital Savings Federal Credit Union	11/25/2024	6.13%	108	108	107
Concentra Bank	05/17/2024	1.46%	128	128	123
CPPIB Capital Inc.	06/15/2028	3.00%	916	883	874
CPPIB Capital Inc.	03/08/2028	3.25%	803	795	776
CT Real Estate Investment Trust	02/05/2029	3.03%	606	606	532
CU Inc.	09/05/2051	3.17%	130	131	101
Daimler Truck Finance Canada Inc.	09/19/2025	5.18%	113	113	112
Daimler Truck Finance Canada Inc.	09/20/2027	5.22%	105	105	104
Dream Industrial Real Estate Investment Trust	12/22/2025	1.66%	703	702	635
Dream Industrial Real Estate Investment Trust	04/13/2026	3.97%	505	505	480

Percentages shown in brackets relate investments at fair value to net assets of the Fund.



# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$'000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
Dream Industrial Real Estate Investment Trust	03/22/2028	5.38%	126	126	124
Eagle Credit Card Trust	07/17/2025	1.27%	237	237	217
Eagle Credit Card Trust	07/17/2027	4.78%	131	131	129
Emera Incorporated	06/15/2076	6.75%	140 USD	180	180
Enbridge Gas Inc.	09/11/2025	3.31%	2,500	2,574	2,400
Enbridge Inc.	09/21/2033	3.10%	65	65	54
Enbridge Inc.	11/15/2029	3.13%	150 USD	204	176
Enbridge Inc.	05/26/2028	4.90%	537	537	532
Enbridge Inc.	11/09/2027	5.70%	93	93	95
Enbridge Pipelines Inc.	09/29/2025	3.45%	2,500	2,516	2,398
Energir Inc.	11/19/2027	7.20%	206	270	222
Equitable Bank	03/10/2025	1.94%	277	277	257
Equitable Bank	05/09/2024	1.98%	460	460	444
Equitable Bank	12/04/2023	2.75%	376	376	371
Federation des caisses Desjardins du Quebec	05/28/2031	1.99%	200	200	179
Federation des caisses Desjardins du Quebec	05/19/2027	4.41%	986	979	957
Federation des caisses Desjardins du Quebec	08/23/2032	5.04%	443	441	430
Federation des caisses Desjardins du Quebec	10/01/2025	5.20%	177	177	176
Finning International Inc.	05/16/2028	4.45%	193	193	188
First West Credit Union	11/29/2024	6.80%	186	186	185
Ford Auto Securitization Trust 2021-A Cl. A2	10/15/2025	1.16%	79	79	78
Ford Auto Securitization Trust 2021-A Cl. A3	01/15/2027	1.64%	150	150	137
Ford Auto Securitization Trust 2021-A Cl. B	06/15/2027	2.11%	150	150	134
Fortified Trust	10/23/2026	1.96%	3,000	2,898	2,702
Fortified Trust	03/23/2024	2.56%	585	593	573
Fortified Trust	06/23/2025	3.76%	585	585	565
Fortified Trust	12/23/2027	4.42%	673	673	651
Fortis Inc.	05/31/2029	4.43%	306	306	299
General Motors Financial of Canada, Ltd.	07/09/2025	1.70%	197	197	181
General Motors Financial of Canada, Ltd.	04/15/2026	1.75%	170	155	152
General Motors Financial of Canada, Ltd.	02/08/2027	3.15%	710	710	650
General Motors Financial of Canada, Ltd.	11/07/2023	3.25%	315	323	313
General Motors Financial of Canada, Ltd.	02/09/2028	5.20%	260	258	253
General Motors Financial of Canada, Ltd.	05/14/2024	5.95%	654	744	655
Gibson Energy Inc.	07/12/2026	5.80%	185	185	185
Glacier Credit Card Trust Series 22-1	09/20/2027	4.96%	490	490	485
Golden Credit Card Trust Series 2018-4A Cl. A	08/15/2025	3.44%	125 USD	174	165
Great-West Lifeco Inc.	12/31/2081	3.60%	3,000	3,000	2,218
Honda Canada Finance Inc.	03/17/2026	1.34%	87	87	78
Honda Canada Finance Inc.	06/04/2024	2.50%	1,000	1,037	974
Honda Canada Finance Inc.	08/28/2023	3.18%	435	448	434
HSBC Bank Canada	03/24/2025	3.40%	1,702	1,693	1,643
Hydro One Inc.	02/28/2025	1.76%	1,680	1,680	1,591
Hydro One Inc.	01/27/2028	4.91%	467	467	471
Hyundai Capital Canada Inc.	02/16/2027	3.20%	2,000	2,000	1,840
iA Financial Corporation Inc.	02/25/2032	3.19%	111	111	102
iA Financial Corporation Inc.	06/20/2033	5.69%	211	211	211
iA Financial Corporation Inc.	06/30/2082	6.61%	261	261	252
Intact Financial Corporation	05/21/2024	1.21%	401	401	387
Intact Financial Corporation	03/31/2081	4.13%	170	168	145
Intact Financial Corporation	06/30/2083	7.34%	101	101	100
Inter Pipeline Ltd.	04/18/2024	2.73%	670	674	655
Inter Pipeline Ltd.	06/01/2027	4.23%	1,742	1,697	1,660
Inter Pipeline Ltd.	02/17/2028	5.76%	154	154	155
John Deere Financial Inc.	04/09/2026	1.63%	5,000	4,582	4,562

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$'000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
John Deere Financial Inc.	06/20/2025	2.31%	355	355	336
John Deere Financial Inc.	01/14/2025	2.41%	1,260	1,260	1,205
John Deere Financial Inc.	06/14/2027	4.95%	429	429	430
Keyera Corp.	03/28/2032	5.02%	190	191	184
Laurentian Bank of Canada	05/06/2026	1.60%	71	71	65
Laurentian Bank of Canada	03/17/2025	1.95%	164	164	153
Laurentian Bank of Canada	09/02/2025	4.60%	250	250	243
Manulife Financial Corporation	06/19/2081	3.38%	4,000	3,912	2,943
National Bank of Canada	02/03/2025	2.58%	3,960	3,940	3,778
National Bank of Canada	08/16/2032	5.43%	200	200	197
NAV Canada	02/09/2026	0.94%	2,924	2,924	2,646
North West Redwater Partnership / NWR Financing Company Ltd.	06/01/2027	2.80%	2,000	1,855	1,849
North West Redwater Partnership / NWR Financing Company Ltd.	06/01/2031	2.80%	90	82	78
North West Redwater Partnership / NWR Financing Company Ltd.	07/22/2024	3.20%	347	356	338
North West Redwater Partnership / NWR Financing Company Ltd.	06/01/2033	4.15%	300	292	283
OMERS Realty Corporation	10/04/2027	3.24%	1,700	1,602	1,578
OMERS Realty Corporation	04/09/2029	4.54%	264	264	258
Ontario Teachers' Finance Trust	11/01/2029	4.15%	170	170	170
PACCAR Financial Ltd.	05/14/2024	0.99%	811	811	780
Pembina Pipeline Corporation	06/15/2027	4.24%	3,000	2,891	2,894
Penske Truck Leasing Canada Inc.	12/08/2025	5.44%	869	869	864
Primaris Real Estate Investment Trust	03/30/2025	4.27%	689	689	662
Primaris Real Estate Investment Trust	03/29/2028	5.93%	135	135	133
Prime Structured Mortgage Trust	11/15/2024	1.86%	164	164	156
PSP Capital Inc.	06/15/2026	0.90%	5,000	4,995	4,517
PSP Capital Inc.	11/05/2025	3.00%	2,610	2,775	2,514
PSP Capital Inc.	06/15/2029	3.75%	279	278	276
Reliance LP	08/01/2028	2.67%	477	477	415
Reliance LP	03/15/2025	3.84%	158	172	153
RioCan Real Estate Investment Trust	10/06/2027	5.61%	194	194	191
Rogers Communications Inc.	04/15/2025	3.10%	500	499	478
Rogers Communications Inc.	03/31/2027	3.65%	5,000	4,624	4,699
Royal Bank of Canada	09/29/2025	3.37%	9,500	9,298	9,084
Royal Bank of Canada	05/06/2025	3.75%	100 AUD	91	86
Royal Bank of Canada	05/01/2028	4.63%	2,000	2,000	1,956
Royal Bank of Canada	01/17/2028	4.64%	680	687	666
Royal Bank of Canada	02/01/2033	5.01%	159	159	154
Royal Bank of Canada	11/02/2026	5.24%	442	448	442
Scotia Capital Inc. Canadian Mortgage Pools	07/01/2024	1.90%	125	125	121
Sienna Senior Living Inc.	03/31/2027	2.82%	440	440	391
SmartCentres Real Estate Investment Trust	06/11/2027	3.19%	67	67	61
SmartCentres Real Estate Investment Trust	05/29/2028	5.35%	176	176	172
Sun Life Financial Inc.	11/18/2031	2.46%	107	107	97
Sun Life Financial Inc.	11/21/2033	2.80%	478	418	419
Sun Life Financial Inc.	06/30/2081	3.60%	2,000	2,000	1,491
TELUS Corporation	04/01/2024	3.35%	2,185	2,257	2,150
Teranet Holdings LP	06/11/2025	3.54%	191	197	182
The Bank of Nova Scotia	11/02/2026	1.85%	8,500	7,934	7,638
The Bank of Nova Scotia	06/28/2024	2.29%	2,000	2,028	1,942
The Empire Life Insurance Company	09/24/2031	2.02%	140	140	124
The Empire Life Insurance Company	01/13/2033	5.50%	152	152	149
The Toronto-Dominion Bank	09/09/2025	2.67%	415	408	391
The Toronto-Dominion Bank	01/26/2032	3.06%	180	174	164
The Toronto-Dominion Bank	04/22/2030	3.11%	1,400	1,443	1,332
The Toronto-Dominion Bank	07/24/2024	3.23%	6,000	6,401	5,869

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
The Toronto-Dominion Bank	06/01/2027	4.21%	240	240	232
The Toronto-Dominion Bank	01/27/2026	4.34%	117	117	114
The Toronto-Dominion Bank	10/31/2082	7.28%	4,000	4,000	3,929
Toronto Hydro Corporation	08/25/2026	2.52%	1,760	1,848	1,644
Toyota Credit Canada Inc.	08/25/2025	2.73%	3,000	2,999	2,848
Toyota Credit Canada Inc.	01/24/2028	4.33%	29	29	28
Toyota Credit Canada Inc.	01/26/2026	4.45%	51	51	50
TransCanada Pipelines Limited	10/12/2024	1.00%	80 USD	98	100
TransCanada Pipelines Limited	04/05/2027	3.80%	2,194	2,052	2,089
TransCanada Pipelines Limited	04/15/2030	4.10%	155 USD	232	191
TransCanada Pipelines Limited	05/15/2028	4.25%	50 USD	70	63
TransCanada Pipelines Limited	03/10/2026	5.42%	1,177	1,177	1,169
TransCanada Trust	03/04/2081	4.20%	43	36	34
Transcontinental Inc.	02/03/2025	2.67%	535	535	505
Vancouver Airport Fuel Facilities Corp.	06/23/2025	2.17%	291	288	273
VW Credit Canada, Inc.	12/10/2026	2.45%	3,500	3,338	3,179
VW Credit Canada, Inc.	11/15/2027	5.86%	63	63	64
Westcoast Energy Inc.	12/15/2027	6.75%	27	34	28
Total for Corporate Bonds				171,169	161,074
<b>Government of Canada Bonds (25.0%)</b>					
Canada Housing Trust No. 1	06/15/2025	0.95%	10,000	9,412	9,306
Canada Housing Trust No. 1	12/15/2026	1.55%	10,000	9,290	9,167
Canada Housing Trust No. 1	09/15/2026	1.90%	10,000	9,368	9,308
Canada Housing Trust No. 1	03/15/2025	2.55%	40	43	39
Canada Housing Trust No. 1	06/15/2024	2.90%	12,000	11,750	11,758
Canada Housing Trust No. 1	12/15/2027	3.60%	3,000	3,030	2,955
Government of Canada	04/01/2024	0.25%	179	176	173
Government of Canada	03/01/2026	0.25%	549	497	495
Government of Canada	09/01/2025	0.50%	10,000	9,335	9,197
Government of Canada	05/19/2026	0.75%	100 USD	120	119
Government of Canada	06/01/2027	1.00%	1,633	1,520	1,475
Government of Canada	03/01/2025	1.25%	115	110	109
Government of Canada	03/01/2027	1.25%	348	320	317
Government of Canada	09/01/2024	1.50%	97	100	93
Government of Canada	06/01/2026	1.50%	2,090	1,993	1,946
Government of Canada	01/22/2025	1.63%	55 USD	73	69
Government of Canada	06/01/2028	2.00%	1,623	1,558	1,513
Government of Canada	03/01/2024	2.25%	361	364	355
Government of Canada	06/01/2029	2.25%	897	869	842
Government of Canada	09/01/2027	2.75%	1,447	1,430	1,391
Government of Canada	06/01/2033	2.75%	390	369	373
Government of Canada	03/01/2028	3.50%	30,424	30,141	30,192
Government of Canada	02/01/2025	3.75%	4,000	4,019	3,941
Total for Government of Canada Bonds				95,887	95,133
<b>Municipal Bonds (1.2%)</b>					
Municipal Finance Authority of British Columbia	04/19/2026	2.50%	5,000	4,734	4,742
Total for Municipal Bonds				4,734	4,742
<b>Provincial Bonds (12.4%)</b>					
Province of Alberta	04/18/2025	0.63%	100 EUR	155	137
Province of Alberta	06/01/2027	2.55%	814	787	767
Province of British Columbia	06/18/2025	2.85%	70	75	68
Province of Manitoba	06/02/2026	2.55%	230	244	218

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
Province of New Brunswick	08/14/2025	1.80%	193	202	182
Province of Newfoundland	10/17/2027	3.85%	309	314	304
Province of Nova Scotia	06/01/2027	2.10%	823	779	762
Province of Ontario	12/15/2023	0.50%	100 GBP	169	164
Province of Ontario	09/08/2025	1.75%	631	661	593
Province of Ontario	09/08/2024	2.30%	10,000	10,218	9,691
Province of Ontario	06/02/2027	2.60%	25,000	24,020	23,611
Province of Ontario	03/08/2028	3.60%	10,000	10,023	9,814
Province of Ontario Generic Coupon Strip	06/02/2024	0.00%	428	420	409
Province of Quebec	04/07/2025	0.20%	100 EUR	155	136
Province of Quebec	09/01/2023	3.00%	111	114	111
Province of Quebec	03/10/2025	4.20%	65 AUD	62	57
Province of Saskatchewan	09/02/2025	0.80%	243	243	224
Total for Provincial Bonds				48,641	47,248
<b>Total for Domestic Bonds (80.9%)</b>				<b>320,431</b>	<b>308,197</b>

### FOREIGN BONDS

#### Australia (0.4%)

Australian Capital Territory	10/23/2031	1.75%	40 AUD	35	28
Export Finance & Insurance Corp.	01/29/2024	0.52%	50 AUD	48	43
Government of Australia	09/21/2026	0.50%	310 AUD	265	245
International Finance Corporation	09/18/2023	2.55%	420 CNY	82	77
New South Wales Treasury Corporation	03/20/2025	1.25%	50 AUD	43	42
New South Wales Treasury Corporation	03/20/2031	2.00%	145 AUD	115	107
New South Wales Treasury Corporation	05/20/2027	3.00%	240 AUD	204	202
Queensland Treasury Corporation	08/20/2027	2.75%	110 AUD	93	91
Queensland Treasury Corporation	07/21/2028	3.25%	240 AUD	216	202
Sydney Airport Finance Company Property Limited	04/28/2026	3.63%	80 USD	105	101
Western Australian Treasury Corporation	10/22/2030	1.50%	45 AUD	34	33
Western Australian Treasury Corporation	07/23/2024	2.50%	185 AUD	194	160
Western Australian Treasury Corporation	07/20/2033	4.25%	100 AUD	88	87
Total for Australia				1,522	1,418

#### Austria (0.0%)

Republic of Austria	02/20/2029	0.50%	70 EUR	108	88
Total for Austria				108	88

#### Brazil (0.2%)

Federative Republic of Brazil	01/01/2025	10.00%	815 BRL	223	223
Federative Republic of Brazil	01/01/2027	10.00%	1,270 BRL	298	350
Natura Cosméticos SA	05/03/2028	4.13%	200 USD	246	229
Simpair Finance SARL	02/12/2028	10.75%	310 BRL	73	68
Total for Brazil				840	870

#### Cayman Islands (0.1%)

QNB Finance Ltd.	09/22/2025	1.63%	200 USD	237	244
Total for Cayman Islands				237	244

#### China (0.1%)

People's Republic of China	08/12/2026	2.69%	590 CNY	119	109
The Asian Infrastructure Investment Bank	12/15/2025	0.20%	18 GBP	31	26
The Asian Infrastructure Investment Bank	05/17/2028	4.00%	65 AUD	58	55
The Asian Infrastructure Investment Bank	11/03/2023	4.50%	850 MXN	49	64
Total for China				257	254

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# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$'000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
<b>Colombia (0.0%)</b>					
Ecopetrol SA	06/26/2026	5.38%	25 USD	34	32
Total for Colombia				34	32
<b>Denmark (0.0%)</b>					
Nykredit Realkredit A/S	07/01/2025	1.00%	330 DKK	61	61
Realkredit Danmark A/S	01/01/2026	1.00%	500 DKK	91	91
Total for Denmark				152	152
<b>Finland (0.1%)</b>					
Kuntarahoitus OYJ	04/21/2028	0.00%	105 EUR	134	130
Kuntarahoitus OYJ	01/18/2028	2.88%	100 EUR	149	142
Nordic Investment Bank	08/23/2027	3.00%	600 NOK	76	70
Republic of Finland	09/15/2028	0.50%	5 EUR	8	7
Total for Finland				367	349
<b>France (0.1%)</b>					
Electricite de France SA	05/23/2030	5.99%	248	248	247
Total for France				248	247
<b>Germany (0.1%)</b>					
E.ON SE	09/29/2027	0.38%	95 EUR	152	121
KfW	09/20/2024	0.50%	75 USD	95	94
KfW	08/28/2023	1.25%	40 NOK	6	5
KfW	02/17/2027	2.88%	260 NOK	31	30
Landwirtschaftliche Rentenbank	04/23/2024	5.38%	95 NZD	97	77
Total for Germany				381	327
<b>India (0.1%)</b>					
Indian Railway Finance Corporation Limited	02/13/2030	3.25%	200 USD	268	232
NTPC Limited	11/26/2024	4.38%	200 USD	260	259
Total for India				528	491
<b>Indonesia (0.7%)</b>					
Republic of Indonesia	07/18/2024	2.15%	100 EUR	158	142
Republic of Indonesia	04/15/2027	5.13%	781,000 IDR	63	68
Republic of Indonesia	08/15/2028	6.38%	3,222,000 IDR	294	291
Republic of Indonesia	04/15/2032	6.38%	3,991,000 IDR	349	354
Republic of Indonesia	06/15/2025	6.50%	7,060,000 IDR	656	631
Republic of Indonesia	05/15/2033	6.63%	262,000 IDR	23	24
Republic of Indonesia	05/15/2038	7.50%	1,520,000 IDR	143	146
Republic of Indonesia	05/15/2024	8.13%	2,949,000 IDR	271	266
Republic of Indonesia	09/15/2026	8.38%	4,035,000 IDR	403	382
Republic of Indonesia	05/15/2031	8.75%	1,317,000 IDR	141	134
Republic of Indonesia	03/15/2029	9.00%	520,000 IDR	57	52
Total for Indonesia				2,558	2,490
<b>Ireland (0.2%)</b>					
AerCap Ireland Capital DAC / AerCap Global Aviation Trust	10/29/2023	1.15%	150 USD	194	196
Republic of Ireland	05/15/2027	0.20%	135 EUR	176	175
Republic of Ireland	10/18/2030	0.20%	125 EUR	182	150
Republic of Ireland	05/15/2029	1.10%	60 EUR	91	79
Total for Ireland				643	600

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# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
<b>Italy (0.1%)</b>					
Republic of Italy	02/17/2026	1.25%	200 USD	261	237
Total for Italy				261	237
<b>Japan (0.2%)</b>					
Government of Japan	03/20/2027	0.01%	14,650 JPY	147	135
Government of Japan	12/20/2023	0.10%	52,550 JPY	641	483
Total for Japan				788	618
<b>Jersey (0.0%)</b>					
IDB Trust Services Limited	12/04/2024	0.04%	100 EUR	146	136
Total for Jersey				146	136
<b>Liberia (0.1%)</b>					
Royal Caribbean Cruises Ltd.	04/01/2028	5.50%	135 USD	170	167
Royal Caribbean Cruises Ltd.	08/15/2027	11.63%	36 USD	47	52
Total for Liberia				217	219
<b>Luxembourg (0.2%)</b>					
European Financial Stability Facility	10/15/2025	0.00%	105 EUR	143	140
European Financial Stability Facility	10/17/2023	0.13%	90 EUR	136	129
European Investment Bank	01/20/2032	0.25%	130 EUR	150	149
European Investment Bank	05/09/2028	3.75%	600 NOK	77	73
JBS USA LUX SA / JBS USA Food Co. / JBS USA Finance Inc.	01/15/2032	3.63%	200 USD	224	215
Total for Luxembourg				730	706
<b>Malaysia (0.2%)</b>					
Federation of Malaysia	06/15/2028	3.73%	250 MYR	80	71
Federation of Malaysia	07/05/2034	3.83%	160 MYR	52	45
Federation of Malaysia	04/15/2033	3.84%	324 MYR	99	91
Federation of Malaysia	03/14/2025	3.88%	110 MYR	36	31
Federation of Malaysia	11/30/2026	3.90%	675 MYR	209	194
Federation of Malaysia	11/16/2027	3.90%	328 MYR	106	94
Federation of Malaysia	07/15/2026	3.91%	260 MYR	81	75
Federation of Malaysia	04/15/2030	4.50%	275 MYR	86	82
Total for Malaysia				749	683
<b>Mexico (0.4%)</b>					
Becle, SAB de CV	10/14/2031	2.50%	200 USD	244	214
CEMEX SAB de CV	07/11/2031	3.88%	200 USD	228	223
United Mexican States	03/06/2025	5.00%	10,270 MXN	640	734
United Mexican States	05/26/2033	7.50%	5,320 MXN	345	380
United Mexican States	05/29/2031	7.75%	960 MXN	60	70
Total for Mexico				1,517	1,621
<b>Netherlands (0.1%)</b>					
BNG Bank NV	06/07/2024	0.25%	90 EUR	137	126
Kingdom of Netherlands	07/15/2024	2.00%	97 EUR	137	138
PPF Telecom Group BV	09/29/2027	3.25%	100 EUR	154	135
Total for Netherlands				428	399
<b>New Zealand (0.5%)</b>					
Asian Development Bank	01/13/2027	1.85%	65 AUD	59	52
Asian Development Bank	09/10/2027	3.40%	80 AUD	69	67
Asian Development Bank	08/18/2025	3.75%	85 NZD	69	67
Government of New Zealand	05/15/2024	0.50%	100 NZD	82	78

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# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$'000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
Government of New Zealand	04/15/2025	2.75%	215 NZD	175	167
Government of New Zealand	04/14/2033	3.50%	130 NZD	97	96
Government of New Zealand	04/15/2027	4.50%	120 NZD	100	97
Housing New Zealand Limited	06/12/2025	3.36%	80 NZD	64	63
International Bank for Reconstruction & Development	07/02/2025	0.75%	103	103	95
International Bank for Reconstruction & Development	03/16/2026	1.25%	1,050 NOK	120	119
International Bank for Reconstruction & Development	01/19/2027	1.80%	85	85	78
International Bank for Reconstruction & Development	01/16/2025	1.90%	110	110	105
International Bank for Reconstruction & Development	06/24/2025	4.25%	70 AUD	68	61
International Bank for Reconstruction & Development	07/29/2027	4.25%	143 NZD	115	113
International Bank for Reconstruction & Development	02/04/2024	6.75%	80 BRL	21	22
International Development Association	12/12/2024	0.75%	80 GBP	136	125
International Development Association	02/17/2027	1.75%	480 NOK	54	54
New Zealand Local Government Funding Agency Bond	04/15/2026	1.50%	10 NZD	8	7
New Zealand Local Government Funding Agency Bond	04/15/2024	2.25%	59 NZD	50	47
New Zealand Local Government Funding Agency Bond	05/15/2028	2.25%	130 NZD	111	93
New Zealand Local Government Funding Agency Bond	04/15/2027	4.50%	125 NZD	114	99
New Zealand Local Government Funding Agency Bond	04/15/2025	5.50%	225 NZD	183	175
Total for New Zealand				1,993	1,880
<b>Norway (0.3%)</b>					
Aker BP ASA	01/15/2030	3.75%	150 USD	199	177
Kingdom of Norway	03/13/2025	1.75%	3,930 NOK	506	466
Kingdom of Norway	02/17/2027	1.75%	785 NOK	102	90
Kingdom of Norway	05/18/2032	2.13%	1,340 NOK	154	146
Kommunalbanken AS	02/09/2027	2.88%	250 NZD	211	188
Nordea Eiendoms kreditt AS	06/19/2024	4.50%	1,000 NOK	144	124
Total for Norway				1,316	1,191
<b>Philippines (0.1%)</b>					
Republic of the Philippines	08/12/2025	2.63%	10,330 PHP	241	231
Republic of the Philippines	09/09/2025	3.63%	3,770 PHP	87	85
Republic of the Philippines	08/22/2028	6.13%	5,960 PHP	148	143
Republic of the Philippines	03/12/2024	6.25%	4,405 PHP	117	106
Total for Philippines				593	565
<b>Qatar (0.1%)</b>					
Qatarenergy Trading LLC	07/12/2031	2.25%	235 USD	275	261
Total for Qatar				275	261
<b>Singapore (0.2%)</b>					
Medco Bell Pte Ltd.	01/30/2027	6.38%	55 USD	71	68
Republic of Singapore	11/01/2026	1.25%	150 SGD	132	137
Republic of Singapore	06/01/2025	2.38%	460 SGD	471	441
Total for Singapore				674	646
<b>South Korea (0.3%)</b>					
Republic of Korea	12/10/2029	1.38%	64,000 KRW	57	56
Republic of Korea	06/10/2027	2.13%	181,010 KRW	171	172
Republic of Korea	03/10/2027	2.38%	514,720 KRW	487	494
Republic of Korea	09/10/2024	3.13%	155,720 KRW	157	156
Republic of Korea	09/10/2027	3.13%	34,900 KRW	35	34
Republic of Korea	12/10/2032	4.25%	103,650 KRW	113	109
Total for South Korea				1,020	1,021

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# MD Short-Term Bond Fund

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	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
<b>United Kingdom (0.3%)</b>					
United Kingdom Treasury	01/31/2024	0.13%	135 GBP	215	221
United Kingdom Treasury	01/31/2025	0.25%	110 GBP	183	171
United Kingdom Treasury	12/07/2027	4.25%	90 GBP	151	148
Virgin Media Secured Finance PLC	05/15/2029	5.50%	73 USD	97	87
Vmed O2 UK Financing I PLC	01/31/2031	3.25%	100 EUR	156	119
Vmed O2 UK Financing I PLC	01/31/2031	4.25%	205 USD	270	220
Total for United Kingdom				1,072	966
<b>United States (12.2%)</b>					
AECOM	03/15/2027	5.13%	100 USD	134	128
American Airlines Inc. / AAdvantage Loyalty IP Ltd.	04/20/2026	5.50%	145 USD	188	190
American Airlines Inc. / AAdvantage Loyalty IP Ltd.	04/20/2029	5.75%	125 USD	157	161
American Tower Corporation	01/15/2028	0.50%	130 EUR	184	158
American Tower Corporation	10/15/2030	1.88%	195 USD	218	204
American Tower Corporation	08/15/2029	3.80%	55 USD	66	67
Ardagh Metal Packaging Finance USA LLC / Ardagh Metal Packaging Finance PLC	09/01/2028	3.25%	200 USD	254	228
AT&T Inc.	03/25/2024	0.90%	40 USD	50	51
AT&T Inc.	11/25/2025	4.00%	770	770	744
Athene Global Funding	09/24/2025	2.10%	470	469	430
Athene Global Funding	03/10/2025	3.13%	320	320	304
Avery Dennison Corporation	03/03/2025	1.25%	100 EUR	155	137
Ball Corporation	08/15/2030	2.88%	120 USD	148	132
Bank of America Corporation	10/24/2026	1.20%	45 USD	59	54
Bank of America Corporation	03/16/2028	3.62%	81	79	76
Bank of America Corporation	06/14/2024	5.50%	95 USD	120	126
Berkshire Hathaway Inc.	03/12/2025	0.00%	100 EUR	149	135
Berry Global, Inc.	07/15/2027	5.63%	70 USD	101	91
Blackstone Private Credit Fund	03/24/2025	4.70%	1,175 USD	1,483	1,500
BOCA Commercial Mortgage Trust Series 2022-BOCA Cl. A	05/15/2039	6.92%	100 USD	128	132
Boston Properties Limited Partnership	01/15/2025	3.20%	115 USD	151	145
Broadcom Inc.	04/15/2029	4.75%	152 USD	214	195
BX Commercial Mortgage Trust Series 2019-XL Cl. A	10/15/2036	6.18%	124 USD	166	164
BX Commercial Mortgage Trust Series 2021-CIP Cl. A	12/15/2038	6.11%	100 USD	126	129
BX Commercial Mortgage Trust Series 2021-VOLT Cl. A	09/15/2036	5.89%	100 USD	127	128
BX Trust Series 2022-CLS Cl. A	10/13/2027	5.76%	30 USD	41	38
BX Trust Series 2022-GPA Cl. A	10/15/2039	7.31%	100 USD	130	132
BX Trust Series 2022-GPA Cl. B	10/15/2039	7.81%	60 USD	78	79
BX Trust Series 2022-GPA Cl. C	10/15/2039	8.36%	25 USD	32	33
CAMB Commercial Mortgage Trust Series 2019-LIFE Cl. A	12/15/2037	6.26%	100 USD	128	131
Carnival Corporation	03/01/2027	5.75%	190 USD	235	232
Carnival Corporation	12/01/2027	5.75%	75 USD	100	166
Caterpillar Financial Services Corporation	05/17/2024	0.45%	60 USD	74	76
CCO Holdings, LLC / CCO Holdings Capital Corp.	06/01/2033	4.50%	55 USD	69	57
CDW LLC / CDW Finance Corp.	12/01/2028	3.28%	15 USD	17	17
CDW LLC / CDW Finance Corp.	04/01/2028	4.25%	165 USD	223	201
CEC Entertainment, LLC	05/01/2026	6.75%	25 USD	31	32
Centene Corporation	03/01/2031	2.50%	165 USD	205	175
Centene Corporation	10/15/2030	3.00%	185 USD	249	204
Centene Corporation	02/15/2030	3.38%	205 USD	277	233
Centene Corporation	12/15/2029	4.63%	25 USD	36	30
Charter Communications Operating, LLC / Charter Communications Operating Capital Corporation	04/01/2031	2.80%	85 USD	106	91
Cheniere Energy Partners, LP	03/01/2031	4.00%	185 USD	229	216
Citigroup Commercial Mortgage Trust Series 2023-SMRT Cl. A	06/10/2028	6.01%	100 USD	138	132

Percentages shown in brackets relate investments at fair value to net assets of the Fund.



# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$'000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
Civitas Resources, Inc.	07/01/2031	8.75%	115 USD	152	155
Cleveland-Cliffs Inc.	03/01/2031	4.88%	115 USD	147	134
COLT Mortgage Loan Trust Series 2022-5 Cl. A1	04/25/2067	4.55%	87 USD	111	111
Continental Resources, Inc.	01/15/2031	5.75%	165 USD	206	208
Credit Suisse Mortgage Trust Series 2019-ICE4 Cl. A	05/15/2036	6.17%	140 USD	178	184
Credit Suisse Mortgage Trust Series 2019-NQM1 Cl. A1	10/25/2059	2.66%	11 USD	15	14
Crown Castle Inc.	07/15/2025	1.35%	19 USD	23	23
Crown Castle Inc.	01/15/2031	2.25%	15 USD	20	16
Crown Castle Inc.	09/01/2027	3.65%	110 USD	147	136
DataBank Issuer Series 2023-1A Cl. A2	02/25/2053	5.12%	100 USD	125	122
DB Master Finance LLC Series 2019-1A Cl. A2II	05/20/2049	4.02%	48 USD	65	60
Delta Air Lines, Inc.	10/28/2024	2.90%	150 USD	191	191
Delta Air Lines, Inc.	04/19/2028	4.38%	178 USD	245	222
Delta Air Lines, Inc.	01/15/2026	7.38%	15 USD	21	21
Delta Air Lines, Inc. / SkyMiles IP Ltd.	10/20/2025	4.50%	46 USD	61	59
Delta Air Lines, Inc. / SkyMiles IP Ltd.	10/20/2028	4.75%	486 USD	675	625
Delta Air Lines, Inc. Pass Through Trust Series 2020-1 Cl. A	12/10/2029	2.50%	33 USD	44	37
Domino's Pizza Master Issuer LLC Series 2015-1A Cl. A2II	10/25/2045	4.47%	89 USD	118	112
Driven Brands Funding, LLC Series 2018-1A Cl. A2	04/20/2048	4.74%	81 USD	109	103
Driven Brands Funding, LLC Series 2019-2A Cl. A2	10/20/2049	3.98%	58 USD	76	70
DTE Energy Company	06/01/2025	1.05%	45 USD	54	55
EQT Corporation	10/01/2027	3.90%	87 USD	114	107
Equinix, Inc.	04/15/2032	3.90%	170 USD	208	202
Expedia Group, Inc.	02/15/2028	3.80%	131 USD	166	162
Fannie Mae Connecticut Avenue Securities Series 2022-R01 Cl. 1M1	12/25/2041	6.07%	31 USD	39	40
Fannie Mae Connecticut Avenue Securities Series 2022-R03 Cl. 1M1	03/25/2042	7.17%	15 USD	18	19
Fannie Mae Connecticut Avenue Securities Series 2022-R04 Cl. 1M1	03/25/2042	7.07%	29 USD	37	39
Fannie Mae Connecticut Avenue Securities Series 2022-R05 Cl. 2M1	04/25/2042	6.97%	64 USD	82	85
Fannie Mae Connecticut Avenue Securities Series 2023-R03 Cl. 2M1	04/25/2043	7.57%	48 USD	66	65
Fannie Mae Pool	09/01/2052	4.50%	113 USD	145	145
Fannie Mae Pool	11/01/2052	5.00%	96 USD	132	126
Fannie Mae Pool	10/01/2052	5.50%	73 USD	101	97
Fannie Mae Pool	11/01/2052	5.50%	104 USD	143	138
Fannie Mae Pool	12/01/2052	5.50%	139 USD	194	185
Fidelity National Information Services, Inc.	05/21/2027	1.50%	100 EUR	157	131
FirstEnergy Corp.	09/01/2030	2.25%	80 USD	88	86
FirstEnergy Corp.	03/01/2030	2.65%	110 USD	125	123
FirstEnergy Corp.	07/15/2027	4.15%	95 USD	134	120
FirstEnergy Corp.	11/15/2031	7.38%	170 USD	297	257
FirstKey Homes Trust Series 2020-SFR2 Cl. A	10/19/2037	1.27%	99 USD	131	117
FirstKey Homes Trust Series 2022-SFR3 Cl. A	07/17/2038	4.25%	100 USD	125	126
Flushing Financial Corporation	12/01/2031	3.13%	20 USD	25	21
Ford Motor Company	02/12/2032	3.25%	80 USD	100	83
Ford Motor Credit Company LLC	06/14/2024	2.75%	100 GBP	171	161
Ford Motor Credit Company LLC	06/17/2031	3.63%	200 USD	247	217
Ford Motor Credit Company LLC	05/28/2027	4.95%	200 USD	245	250
Freddie Mac Pool	08/01/2052	4.50%	162 USD	207	206
Freddie Mac Pool	10/01/2052	5.00%	98 USD	134	129
Freddie Mac Pool	11/01/2052	5.50%	90 USD	124	119
Freddie Mac Pool	11/01/2052	10.00%	239 USD	325	313
Freddie Mac STACR REMIC Trust Series 2022-DNA3 Cl. M1B	04/25/2042	7.97%	90 USD	114	119
Freddie Mac STACR REMIC Trust Series 2022-DNA4 Cl. M1A	05/25/2042	7.27%	97 USD	125	129
Freddie Mac STACR REMIC Trust Series 2022-DNA4 Cl. M1B	05/25/2042	8.42%	60 USD	78	80
Freddie Mac STACR REMIC Trust Series 2022-DNA7 Cl. M1A	03/25/2052	7.57%	67 USD	92	89
Freddie Mac STACR REMIC Trust Series 2022-HQA1 Cl. M1B	03/25/2042	8.57%	30 USD	39	40

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# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
Freddie Mac STACR REMIC Trust Series 2022-HQA3 Cl. M1A	08/25/2042	7.37%	22 USD	29	30
Freeport-McMoRan Inc.	03/01/2028	4.13%	145 USD	188	181
Freeport-McMoRan Inc.	08/01/2030	4.63%	75 USD	106	94
Freeport-McMoRan Inc.	11/14/2034	5.40%	20 USD	26	26
Gartner, Inc.	10/01/2030	3.75%	90 USD	110	104
General Motors Financial Company, Inc.	10/15/2024	1.20%	35 USD	43	44
General Motors Financial Company, Inc.	06/21/2030	3.60%	140 USD	191	160
GLP Capital, LP / GLP Financing II, Inc.	01/15/2032	3.25%	180 USD	195	193
HCA Inc.	09/01/2030	3.50%	385 USD	504	447
HCA Inc.	06/15/2029	4.13%	180 USD	268	221
HCA Inc.	06/01/2033	5.50%	80 USD	108	106
HCA Inc.	09/01/2028	5.63%	38 USD	50	50
Hilton Domestic Operating Company Inc.	02/15/2032	3.63%	110 USD	136	122
Hilton Domestic Operating Company Inc.	01/15/2030	4.88%	20 USD	28	25
Hilton Grand Vacations Borrower Escrow LLC / Hilton Grand Vacations Borrower Esc	06/01/2029	5.00%	65 USD	78	76
Home BancShares, Inc.	01/30/2032	3.13%	35 USD	44	37
Host Hotels & Resorts, LP	12/15/2029	3.38%	135 USD	171	153
Host Hotels & Resorts, LP	09/15/2030	3.50%	20 USD	23	22
Hyatt Hotels Corporation	04/23/2030	5.75%	132 USD	195	175
Inter-American Development Bank	01/29/2026	2.70%	77 AUD	72	65
INTOWN Mortgage Trust Series 2022-STAY Cl. A	08/15/2039	7.64%	100 USD	127	133
JPMorgan Chase & Co.	03/13/2026	2.01%	65 USD	82	81
KFC Holding Co. / Pizza Hut Holdings LLC / Taco Bell of America LLC	06/01/2027	4.75%	75 USD	102	96
Kinder Morgan, Inc.	12/01/2034	5.30%	105 USD	146	134
Kraft Heinz Foods Company	06/01/2026	3.00%	162 USD	216	202
Kraft Heinz Foods Company	05/15/2027	3.88%	185 USD	255	235
Kraft Heinz Foods Company	03/01/2031	4.25%	175 USD	253	221
Liberty Media Corporation	12/01/2050	0.50%	105 USD	154	154
Liberty Media Corporation	12/01/2049	2.75%	80 USD	104	99
Life Mortgage Trust Series 2022-BMR2 Cl. A1	05/15/2039	6.44%	155 USD	198	201
Life Mortgage Trust Series 2022-BMR2 Cl. B	05/15/2039	6.94%	145 USD	185	188
Life Mortgage Trust Series 2022-BMR2 Cl. C	05/15/2039	7.24%	100 USD	128	129
Marriott International, Inc.	06/15/2030	4.63%	40 USD	55	51
Marriott Vacations Worldwide Corporation	12/15/2027	3.25%	65 USD	89	82
Match Group Holdings II, LLC	08/01/2030	4.13%	55 USD	73	62
McDonald's Corporation	03/04/2025	3.13%	1,260	1,304	1,217
MetroNet Infrastructure Issuer LLC Series 2022-1A Cl. A2	10/20/2052	6.35%	30 USD	38	38
Metropolitan Life Global Funding I	03/20/2028	1.95%	43	43	37
Metropolitan Life Global Funding I	06/15/2026	5.18%	513	513	511
MGM Resorts International	10/15/2028	4.75%	10 USD	13	12
Mileage Plus Holdings LLC Term Loan B	06/20/2027	10.80%	72 USD	97	99
MSCI Inc.	09/01/2030	3.63%	106 USD	125	121
MSCI Inc.	02/15/2031	3.88%	125 USD	161	144
MSCI Inc. Cl. A	11/01/2031	3.63%	151 USD	188	171
Navient Student Loan Trust Series 2018-A Cl. A2	02/18/2042	3.19%	1 USD	2	2
NBM US Holdings Inc.	05/14/2026	7.00%	200 USD	267	257
Nestle Holdings, Inc.	01/26/2029	2.19%	3,500	3,481	3,088
New York Life Global Funding	04/17/2028	2.00%	150	135	132
NextEra Energy Capital Holdings, Inc.	12/02/2026	2.20%	140 AUD	126	112
Nissan Motor Acceptance Company LLC	09/16/2024	1.13%	75 USD	94	93
NRG Energy, Inc.	02/15/2029	3.38%	30 USD	39	33
Occidental Petroleum Corporation	08/15/2026	3.20%	15 USD	18	18
Occidental Petroleum Corporation	04/15/2026	3.40%	76 USD	94	93
Occidental Petroleum Corporation	01/01/2031	6.13%	125 USD	176	168
Occidental Petroleum Corporation	09/01/2030	6.63%	210 USD	306	289

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$'000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
Occidental Petroleum Corporation	05/01/2031	7.50%	30 USD	44	43
Ovintiv Inc.	08/15/2034	6.50%	75 USD	102	100
Post Holdings, Inc.	09/15/2031	4.50%	80 USD	100	91
Post Holdings, Inc.	04/15/2030	4.63%	95 USD	130	110
Post Holdings, Inc.	12/15/2029	5.50%	85 USD	122	104
Post Holdings, Inc.	01/15/2028	5.63%	175 USD	242	223
Premier Entertainment Sub LLC / Premier Entertainment Finance Corp.	09/01/2029	5.63%	105 USD	114	105
Premier Entertainment Sub LLC / Premier Entertainment Finance Corp.	09/01/2031	5.88%	108 USD	119	106
Revvity, Inc.	09/15/2023	0.55%	75 USD	93	98
SBA Communications Corporation	02/01/2029	3.13%	195 USD	238	219
SCOTT Trust Series 2023-SFS Cl. A	03/15/2040	5.91%	110 USD	150	145
Sirius XM Radio Inc.	07/01/2030	4.13%	285 USD	316	309
South Carolina Public Service Authority	01/01/2030	5.74%	30 USD	41	41
Southwest Airlines Co.	05/01/2025	1.25%	95 USD	207	145
Southwestern Energy Company	01/23/2025	5.70%	2 USD	3	3
Sprint LLC	02/15/2025	7.63%	50 USD	70	68
State Board of Administration Finance Corp.	07/01/2027	1.71%	129 USD	154	151
State Board of Administration Finance Corp.	07/01/2030	2.15%	35 USD	39	39
Stryker Corporation	06/15/2025	1.15%	35 USD	43	43
Taco Bell Funding, LLC Series 2016-1A Cl. A23	05/25/2046	4.97%	112 USD	152	143
Targa Resources Partners LP / Targa Resources Partners Finance Corp.	01/15/2032	4.00%	55 USD	70	63
Texas Transportation Commission State Highway Fund	04/01/2026	5.03%	15 USD	20	20
The Boeing Company	02/04/2026	2.20%	127 USD	158	154
The Boeing Company	05/01/2027	5.04%	110 USD	153	144
The Boeing Company	05/01/2030	5.15%	375 USD	555	492
The Goldman Sachs Group, Inc.	01/26/2028	0.25%	20 EUR	24	24
The Goldman Sachs Group, Inc.	05/15/2024	1.38%	26 EUR	40	37
The Goldman Sachs Group, Inc.	11/01/2028	2.00%	41 EUR	53	54
The Goldman Sachs Group, Inc.	11/30/2027	2.60%	730	728	662
The Williams Companies, Inc.	11/15/2030	3.50%	310 USD	420	367
Thermo Fisher Scientific Inc.	10/18/2023	0.80%	80 USD	99	105
Thermo Fisher Scientific Inc.	01/23/2026	1.40%	145 EUR	218	197
T-Mobile US Trust Series 2022-1A Cl. A	05/22/2028	4.91%	100 USD	135	131
T-Mobile USA, Inc.	02/15/2029	2.63%	50 USD	64	58
T-Mobile USA, Inc.	04/15/2029	3.38%	100 USD	121	120
T-Mobile USA, Inc.	04/15/2031	3.50%	85 USD	111	99
T-Mobile USA, Inc.	04/15/2030	3.88%	165 USD	209	201
Transcontinental Gas Pipe Line Company, LLC	05/15/2030	3.25%	50 USD	71	59
Travel + Leisure Co.	12/01/2029	4.50%	100 USD	126	113
Travel + Leisure Co.	07/31/2026	6.63%	49 USD	70	64
TWDC Enterprises 18 Corp.	10/07/2024	2.76%	2,760	2,882	2,667
U.S. Bancorp	06/07/2024	0.85%	200 EUR	303	278
U.S. Bancorp	01/15/2027	3.70%	77 USD	95	76
Uber Technologies Inc.	11/01/2026	8.00%	91 USD	126	123
United Airlines, Inc. Term Loan B	04/21/2028	9.01%	128 USD	159	170
United Rentals (North America), Inc.	02/15/2031	3.88%	155 USD	184	178
United Rentals (North America), Inc.	07/15/2030	4.00%	185 USD	250	217
United Rentals (North America), Inc.	01/15/2028	4.88%	110 USD	145	139
United Rentals (North America), Inc.	05/15/2027	5.50%	52 USD	71	68
United States Treasury Note	05/31/2025	0.25%	110 USD	146	133
United States Treasury Note	01/31/2026	0.38%	70 USD	89	83
United States Treasury Note	02/28/2026	0.50%	145 USD	178	173
United States Treasury Note	11/15/2024	0.75%	665 USD	853	829
United States Treasury Note	05/31/2026	0.75%	125 USD	152	149
United States Treasury Note	09/30/2026	0.88%	670 USD	815	794

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's except for number of shares)

	Maturity Date	Coupon (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
United States Treasury Note	08/31/2024	1.25%	220 USD	296	278
United States Treasury Note	01/31/2027	1.50%	315 USD	387	378
United States Treasury Note	11/30/2023	2.13%	310 USD	409	405
United States Treasury Note	03/31/2024	2.25%	1,055 USD	1,340	1,365
United States Treasury Note	05/31/2027	2.63%	255 USD	321	317
United States Treasury Note	05/15/2032	2.88%	200 USD	256	246
United States Treasury Note	01/31/2028	3.50%	225 USD	296	289
United States Treasury Note	02/28/2025	4.63%	240 USD	325	315
United States Treasury Note	06/30/2025	4.63%	215 USD	284	283
Verizon Communications Inc.	03/22/2024	0.75%	30 USD	38	38
Verizon Communications Inc.	05/06/2026	2.10%	70 AUD	63	57
VICI Properties LP / VICI Note Co. Inc.	02/15/2029	3.88%	35 USD	43	41
VICI Properties LP / VICI Note Co. Inc.	08/15/2030	4.13%	135 USD	163	158
Wells Fargo & Company	05/01/2026	2.57%	105	109	99
Wells Fargo & Company	05/19/2026	2.98%	1,029	1,110	958
Wells Fargo & Company	02/08/2024	3.18%	2,270	2,378	2,238
Western Midstream Operating, LP	02/01/2030	4.30%	140 USD	188	167
WMG Acquisition Corp.	02/15/2031	3.00%	270 USD	320	290
Wyndham Hotels & Resorts, Inc.	08/15/2028	4.38%	155 USD	193	188
YUM! Brands, Inc.	03/15/2031	3.63%	200 USD	248	229
YUM! Brands, Inc.	01/31/2032	4.63%	170 USD	213	204
YUM! Brands, Inc.	01/15/2030	4.75%	50 USD	70	62
Zimmer Biomet Holdings, Inc.	11/22/2024	1.45%	80 USD	99	100
Total for United States				49,198	46,334
<b>Total for Foreign Bonds (17.4%)</b>				<b>68,852</b>	<b>65,045</b>

	Coupon (%)	Number of Shares	Average Cost (\$)	Fair Value (\$)
<b>FOREIGN EQUITIES</b>				
<b>United States (0.2%)</b>				
NextEra Energy, Inc. Preferred	6.93%	6,450 USD	416	387
The AES Corporation Preferred	6.88%	1,300 USD	161	140
U.S. Bancorp Series K Preferred	5.50%	3,175 USD	106	96
Wells Fargo & Company Series Q Preferred	5.85%	3,441 USD	117	114
Total for United States			800	737
<b>Total for Foreign Equities (0.2%)</b>			<b>800</b>	<b>737</b>
<b>Total for Long-term Investments (98.5%)</b>			<b>390,083</b>	<b>373,979</b>

	Maturity Date	Yield (%)	Principal Amount in Currency of Issue	Average Cost (\$)	Fair Value (\$)
<b>SHORT TERM INVESTMENTS</b>					
Zeus Receivables Trust	07/04/2023	3.64%	200	200	200
<b>Total for Short Terms Investments (0.0%)</b>				<b>200</b>	<b>200</b>
<b>Total for Investments (98.5%)</b>				<b>\$390,283</b>	<b>\$374,179</b>
<b>Cash and Other Net Assets (1.5%)</b>					<b>5,698</b>
<b>Total Net Assets Attributable to Holders of Redeemable Units (100.0%)</b>					<b>\$379,877</b>

Percentages shown in brackets relate investments at fair value to net assets of the Fund.

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's)

### Schedule of Derivative Instruments

#### FORWARD CURRENCY CONTRACTS

Contracts		Pay		Receive	Contract Rate	Due Date	Fair Value (\$)	Counterparty	Rating of the Counterparty*
1	666	Australian dollar	601	Canadian Dollar	0.903	09/20/2023	13	HSBC Bank USA NA	A+
1	166	Australian dollar	151	Canadian Dollar	0.910	09/20/2023	4	Bank of America NA	A+
1	166	Australian dollar	151	Canadian Dollar	0.909	09/20/2023	4	Toronto-Dominion Bank	AA-
1	166	Australian dollar	150	Canadian Dollar	0.905	09/20/2023	4	Toronto-Dominion Bank	AA-
1	166	Australian dollar	150	Canadian Dollar	0.904	09/20/2023	3	Bank of America NA	A+
1	166	Australian dollar	149	Canadian Dollar	0.899	09/20/2023	3	Toronto-Dominion Bank	AA-
1	166	Australian dollar	149	Canadian Dollar	0.899	09/20/2023	3	The Bank of New York Mellon	AA-
1	38	Australian dollar	34	Canadian Dollar	0.889	09/20/2023	-	Bank of America NA	A+
1	220	Canadian Dollar	251	Australian dollar	1.138	09/20/2023	1	Bank of America NA	A+
1	147	Canadian Dollar	167	Australian dollar	1.139	09/20/2023	1	State Street Bank and Trust Co.	AA-
1	147	Canadian Dollar	167	Australian dollar	1.136	09/20/2023	-	Australia and New Zealand Banking Group Ltd.	AA-
1	147	Canadian Dollar	167	Australian dollar	1.136	09/20/2023	-	Bank of America NA	A+
1	147	Canadian Dollar	167	Australian dollar	1.134	09/20/2023	-	Bank of America NA	A+
1	147	Canadian Dollar	167	Australian dollar	1.133	09/20/2023	-	Bank of America NA	A+
1	147	Canadian Dollar	167	Australian dollar	1.133	09/20/2023	-	Australia and New Zealand Banking Group Ltd.	AA-
1	82	Canadian Dollar	102	New Zealand Dollar	1.243	09/20/2023	1	Toronto-Dominion Bank	AA-
1	82	Canadian Dollar	102	New Zealand Dollar	1.242	09/20/2023	1	Morgan Stanley Capital Services LLC	A+
1	82	Canadian Dollar	102	New Zealand Dollar	1.241	09/20/2023	1	Standard Chartered Bank	A+
1	138	Canadian Dollar	171	New Zealand Dollar	1.237	09/20/2023	-	The Bank of New York Mellon	AA-
1	138	Canadian Dollar	170	New Zealand Dollar	1.236	09/20/2023	-	Citibank NA	A+
1	82	Canadian Dollar	102	New Zealand Dollar	1.238	09/20/2023	-	Australia and New Zealand Banking Group Ltd.	AA-
1	138	Canadian Dollar	171	New Zealand Dollar	1.236	09/20/2023	-	Toronto-Dominion Bank	AA-
1	138	Canadian Dollar	170	New Zealand Dollar	1.233	09/20/2023	-	Standard Chartered Bank	A+
1	337	Canadian Dollar	257	U.S. Dollar	0.762	09/20/2023	3	HSBC Bank USA NA	A+
1	338	Canadian Dollar	257	U.S. Dollar	0.759	09/20/2023	2	Citibank NA	A+
1	241	Canadian Dollar	183	U.S. Dollar	0.760	09/20/2023	1	HSBC Bank USA NA	A+
1	181	Canadian Dollar	137	U.S. Dollar	0.760	09/20/2023	1	JPMorgan Chase Bank NA	A+
1	181	Canadian Dollar	137	U.S. Dollar	0.759	09/20/2023	1	Barclays Bank PLC	A+
1	120	Canadian Dollar	92	U.S. Dollar	0.761	09/20/2023	1	JPMorgan Chase Bank NA	A+
1	121	Canadian Dollar	92	U.S. Dollar	0.760	09/20/2023	1	UBS AG	A+
1	340	New Zealand Dollar	280	Canadian Dollar	0.822	09/20/2023	3	Citibank NA	A+
1	599	New Zealand Dollar	489	Canadian Dollar	0.817	09/20/2023	3	Morgan Stanley Capital Services LLC	A+
1	170	New Zealand Dollar	140	Canadian Dollar	0.822	09/20/2023	2	Goldman Sachs Bank USA	A+
1	170	New Zealand Dollar	140	Canadian Dollar	0.822	09/20/2023	2	Canadian Imperial Bank of Commerce	A+
1	102	New Zealand Dollar	84	Canadian Dollar	0.822	09/20/2023	1	Bank of Montreal	A+
1	4,328	Norwegian Krone	542	Canadian Dollar	0.125	09/20/2023	7	State Street Bank and Trust Co.	AA-
1	586	Singapore Dollar	583	Canadian Dollar	0.994	09/20/2023	7	HSBC Bank USA NA	A+
1	2,583	U.S. Dollar	3,443	Canadian Dollar	1.333	09/20/2023	25	Bank of America NA	A+
1	2,583	U.S. Dollar	3,440	Canadian Dollar	1.332	09/20/2023	22	Bank of Nova Scotia	A+
1	2,583	U.S. Dollar	3,440	Canadian Dollar	1.332	09/20/2023	22	BNP Paribas SA	A+
1	2,583	U.S. Dollar	3,439	Canadian Dollar	1.332	09/20/2023	22	Canadian Imperial Bank of Commerce	A+
1	2,583	U.S. Dollar	3,439	Canadian Dollar	1.331	09/20/2023	21	Bank of Montreal	A+
1	2,583	U.S. Dollar	3,439	Canadian Dollar	1.331	09/20/2023	21	UBS AG	A+
1	2,583	U.S. Dollar	3,439	Canadian Dollar	1.331	09/20/2023	21	Standard Chartered Bank	A+
1	2,583	U.S. Dollar	3,438	Canadian Dollar	1.331	09/20/2023	20	JPMorgan Chase Bank NA	A+
1	2,583	U.S. Dollar	3,437	Canadian Dollar	1.331	09/20/2023	19	The Bank of New York Mellon	AA-
1	2,086	U.S. Dollar	2,778	Canadian Dollar	1.332	09/20/2023	18	Toronto-Dominion Bank	AA-
1	112	U.S. Dollar	150	Canadian Dollar	1.337	09/20/2023	2	Citibank NA	A+

# MD Short-Term Bond Fund

## Schedule of Investment Portfolio as at June 30, 2023 (unaudited)

(in \$000's)

## Schedule of Derivative Instruments (continued)

Contracts		Pay		Receive	Contract Rate	Due Date	Fair Value (\$)	Counterparty	Rating of the Counterparty*
1	112	U.S. Dollar	150	Canadian Dollar	1.337	09/20/2023	2	Toronto-Dominion Bank	AA-
1	112	U.S. Dollar	150	Canadian Dollar	1.337	09/20/2023	2	Morgan Stanley Capital Services LLC	A+
1	112	U.S. Dollar	150	Canadian Dollar	1.336	09/20/2023	2	JPMorgan Chase Bank NA	A+
1	112	U.S. Dollar	150	Canadian Dollar	1.336	09/20/2023	2	HSBC Bank Canada	A+
1	112	U.S. Dollar	150	Canadian Dollar	1.336	09/20/2023	2	Royal Bank of Canada	AA-
1	113	U.S. Dollar	151	Canadian Dollar	1.336	09/20/2023	2	Canadian Imperial Bank of Commerce	A+
1	112	U.S. Dollar	150	Canadian Dollar	1.336	09/20/2023	1	Bank of Montreal	A+
1	400	U.S. Dollar	530	Canadian Dollar	1.326	09/20/2023	1	HSBC Bank USA NA	A+
1	248	U.S. Dollar	329	Canadian Dollar	1.327	09/20/2023	1	Morgan Stanley Capital Services LLC	A+
							302		
1	1,204	Brazilian Real	324	Canadian Dollar	0.269	09/20/2023	(4)	Goldman Sachs Bank USA	A+
1	264	Canadian Dollar	182	Euro Currency	0.689	09/20/2023	-	The Bank of New York Mellon	AA-
1	264	Canadian Dollar	182	Euro Currency	0.688	09/20/2023	(1)	Bank of America NA	A+
1	264	Canadian Dollar	182	Euro Currency	0.688	09/20/2023	(1)	Bank of America NA	A+
1	786	Danish Krone	152	Canadian Dollar	0.193	09/20/2023	(1)	Royal Bank of Canada	AA-
1	1,824	Euro Currency	2,629	Canadian Dollar	1.441	09/20/2023	(15)	Morgan Stanley Capital Services LLC	A+
1	1,444	Mexican Peso	109	Canadian Dollar	0.076	09/20/2023	(1)	Goldman Sachs Bank USA	A+
1	8,147	Mexican Peso	616	Canadian Dollar	0.076	09/20/2023	(4)	Goldman Sachs Bank USA	A+
1	602	Pound Sterling	1,009	Canadian Dollar	1.677	09/20/2023	(2)	Goldman Sachs Bank USA	A+
							(29)		
<b>Total Forward Currency Contracts</b>							273		

\* Source: Standard & Poor's Credit Rating Agency



# MD Short-Term Bond Fund

## Fund Specific Notes (unaudited)

(in \$000's)

### Financial Instruments

MD Short-Term Bond Fund (the "Fund") invests in Government of Canada, provincial, municipal, corporate, asset-backed and foreign bonds and domestic and foreign preferred shares as shown in the Schedule of Investment Portfolio. The Fund may invest in mortgages, however, has not invested in mortgages during the period. These investments expose the Fund to risks associated with financial instruments. A description of the risks and how the Fund manages these risks is discussed in Note 8 of the Notes to the Financial Statements.

### Credit Risk

The Fund's credit risk is concentrated in investments in short term instruments, preferred shares, debt instruments and derivative instruments. The Fund's maximum exposure to credit risk is the carrying value of short term investments, preferred shares, domestic and foreign bonds as presented on the Schedule of Investment Portfolio as well as the cash presented on the Statements of Financial Position. The Fund's maximum exposure to credit risk from derivative instruments is the carrying value of financial derivative instrument assets as presented on the Statements of Financial Position.

As at June 30, 2023 and December 31, 2022, the Fund invested in short term investments, preferred shares, and debt instruments with the following credit ratings:

Credit Rating	% of Net Assets Attributable to Holders of Redeemable Units June 30, 2023	% of Net Assets Attributable to Holders of Redeemable Units December 31, 2022
<b>Debt Instruments</b>		
AAA / R-1 (High)	34.2%	25.9%
AA / R-1 (Mid)	28.1%	37.6%
A / R-1 (Low)	16.3%	16.4%
BBB / R-2 (High)	16.1%	14.2%
BB	2.4%	2.8%
B	0.6%	0.7%
Unrated	0.6%	0.8%
	98.3%	98.4%
<b>Preferred Shares</b>		
Pfd-2	0.1%	0.0%
Pfd-3	0.1%	0.3%
Pfd-4	0.0%	0.1%
Unrated	-	0.0%
	0.2%	0.4%
<b>Total</b>	98.5%	98.8%

All credit ratings are from external credit rating agencies such as Dominion Bond Rating Service, Standard & Poor's and Moody's.

### Currency Risk

Exposures to foreign currencies as at June 30, 2023 and December 31, 2022 are presented in the table below. Short-term investments, which are monetary in nature, are included in the Investments at Fair Value column.

Currency	Cash and Other Net Assets Attributable to Holders of Redeemable Units	Investments at Fair Value	Derivative Exposure	Net Currency Exposure	% of Net Assets Attributable to Holders of Redeemable Units
<b>June 30, 2023</b>					
U.S. Dollar	\$ 1,166	\$ 37,620	\$ (34,039)	\$ 4,747	1.2%
European Euro	151	3,530	(1,854)	1,827	0.5%
Australian Dollar	19	1,853	(395)	1,477	0.4%
Brazilian Real	33	662	(328)	367	0.1%
Danish Krone	1	152	(153)	-	0.0%
Indonesian Rupiah	24	2,348	-	2,372	0.6%
Japanese Yen	-	618	-	618	0.2%
Malaysian Ringgit	5	683	-	688	0.2%
Mexican Peso	17	1,248	(731)	534	0.1%
New Zealand Dollar	14	1,365	(237)	1,142	0.3%
Norwegian Krone	10	1,178	(535)	653	0.2%
Philippine Peso	3	565	-	568	0.1%
British Pound	2	1,016	(1,012)	6	0.0%
Singapore Dollar	1	578	(575)	4	0.0%
South Korean Won	6	1,021	-	1,027	0.3%
Yuan Renminbi	4	185	-	189	0.0%
<b>Total</b>	\$ 1,456	\$ 54,622	\$ (39,859)	\$ 16,219	4.2%
<b>December 31, 2022</b>					
U.S. Dollar	\$ 1,522	\$ 41,860	\$ (40,595)	\$ 2,787	0.7%
European Euro	68	4,488	(4,348)	208	0.1%
Australian Dollar	25	1,935	(1,939)	21	0.0%
Brazilian Real	55	1,000	(704)	351	0.1%
Colombian Peso	(44)	-	44	-	0.0%
Danish Krone	1	152	(153)	-	0.0%
Indonesian Rupiah	21	2,056	-	2,077	0.5%
Japanese Yen	-	723	(180)	543	0.1%
Malaysian Ringgit	5	675	-	680	0.2%
Mexican Peso	16	1,128	(557)	587	0.1%
New Zealand Dollar	12	1,437	(1,437)	12	0.0%
Norwegian Krone	21	1,379	(614)	786	0.2%
Philippine Peso	-	107	-	107	0.0%
British Pound	3	1,023	(1,017)	9	0.0%
Singapore Dollar	1	632	(642)	(9)	0.0%
South Korean Won	6	867	-	873	0.2%
Yuan Renminbi	10	920	-	930	0.2%
<b>Total</b>	\$ 1,722	\$ 60,382	\$ (52,142)	\$ 9,962	2.4%

# MD Short-Term Bond Fund

## Fund Specific Notes (unaudited)

(in \$000's)

As at June 30, 2023, if the Canadian Dollar had strengthened against all other currencies by 10%, the Net Assets Attributable to Holders of Redeemable Units of the Fund could have decreased by approximately \$1,622 or 0.4% of Net Assets Attributable to Holders of Redeemable Units (December 31, 2022 - \$996 or 0.2%). Conversely, had the Canadian Dollar weakened against all other currencies by 10%, the Net Assets Attributable to Holders of Redeemable Units of the Fund could have increased by approximately \$1,622 or 0.4% of Net Assets Attributable to Holders of Redeemable Units (December 31, 2022 - \$996 or 0.2%). These sensitivities are estimates. Actual results may vary and the variance may be material.

## Interest Rate Risk

The Fund's exposure to interest rate risk was concentrated in investments in domestic and foreign bonds as presented in the Schedule of Investment Portfolio. The amounts of these investments by term to maturity are presented in the table below. In general, longer terms to maturity result in increased interest rate risk.

The sensitivity represents the expected impact to Net Assets Attributable to Holders of Redeemable Units if interest rates for all maturities fluctuate by 25 basis points (parallel yield shift). If interest rates rise, Net Assets Attributable to Holders of Redeemable Units will decrease by the amount shown. Conversely, if interest rates fall, Net Assets Attributable to Holders of Redeemable Units will increase by the amount shown. These sensitivities are estimates. Actual results may vary and the variance may be significant.

As at June 30, 2023 and December 31, 2022, the Fund's exposures to debt instruments by maturity are presented in the table below:

Debt Instruments by Maturity Date	June 30, 2023		December 31, 2022	
	Fair Value	%	Fair Value	%
Less than 1 year	\$ 34,595	9.1%	\$ 33,303	8.3%
1 to 7 years	303,136	79.8%	324,682	80.6%
7 to 12 years	14,640	3.8%	16,915	4.2%
12 to 20 years	3,026	0.8%	2,901	0.7%
More than 20 years	18,045	4.8%	18,693	4.6%
Total	\$ 373,442	98.3%	\$ 396,494	98.4%
Sensitivity (+/-)	\$ 2,297	0.6%	\$ 2,802	0.7%

## Liquidity Risk

The Fund's financial liabilities are all due within one year. Redeemable units are redeemable on demand at the holder's option; however, the Fund does not expect the contractual maturity will be representative of the actual cash outflows, as holders of these instruments typically retain them for a longer period.

## Other Price Risk

The Fund holds minimal equity securities and therefore does not have significant exposure to price risk.

## Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category. The following table summarizes the Fund's concentration risk as a percentage of Net Assets Attributable to Holders of Redeemable Units:

Market Segment	June 30, 2023	December 31, 2022
<b>Domestic Bonds</b>		
Corporate Bonds	42.3%	44.7%
Government of Canada Bonds	25.0%	12.3%
Municipal Bonds	1.2%	0.6%
Provincial Bonds	12.4%	22.5%
<b>Foreign Bonds</b>		
Australia	0.4%	0.4%
Austria	0.0%	0.0%
Brazil	0.2%	0.3%
Cayman Islands	0.1%	0.1%
China	0.1%	0.2%
Colombia	0.0%	0.0%
Denmark	0.0%	0.0%
Finland	0.1%	0.0%
France	0.1%	-
Germany	0.1%	0.1%
India	0.1%	0.2%
Indonesia	0.7%	0.5%
Ireland	0.2%	0.1%
Italy	0.1%	0.1%
Japan	0.2%	0.2%
Jersey	0.0%	0.0%
Liberia	0.1%	0.0%
Luxembourg	0.2%	0.2%
Malaysia	0.2%	0.2%
Mexico	0.4%	0.5%
Netherlands	0.1%	0.1%
New Zealand	0.5%	0.4%
Norway	0.3%	0.5%
Philippines	0.1%	0.0%
Portugal	-	0.1%
Qatar	0.1%	0.1%
Singapore	0.2%	0.2%
South Korea	0.3%	0.2%
Spain	-	0.1%
Sweden	-	0.0%
United Arab Emirates	-	0.1%
United Kingdom	0.3%	0.2%
United States	12.2%	13.0%
<b>Foreign Equities</b>		
United States	0.2%	0.4%
<b>Short Term Investments</b>	0.0%	0.2%
<b>Cash and Other Net Assets (Liabilities)</b>	1.5%	1.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>



# MD Short-Term Bond Fund

## Fund Specific Notes (unaudited)

(in \$000's)

### Fair Value Hierarchy

The following is a summary of the Fund's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of the Fund's securities. The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total*
<b>June 30, 2023</b>			
Domestic Bonds	\$ -	\$ 308,197	\$ 308,197
Foreign Bonds	-	65,045	65,045
Foreign Equities	737	-	737
Short-Term Investments	-	200	200
Financial Derivative Instruments – Assets	-	290	290
Financial Derivative Instruments – Liabilities	-	(17)	(17)
<b>Total</b>	<b>\$ 737</b>	<b>\$ 373,715</b>	<b>\$ 374,452</b>
<b>December 31, 2022</b>			
Domestic Bonds	\$ -	\$ 322,495	\$ 322,495
Foreign Bonds	-	73,079	73,079
Foreign Equities	1,785	-	1,785
Short-Term Investments	-	920	920
Financial Derivative Instruments – Assets	23	9	32
Financial Derivative Instruments – Liabilities	-	(1,865)	(1,865)
<b>Total</b>	<b>\$ 1,808</b>	<b>\$ 394,638</b>	<b>\$ 396,446</b>

\*The Fund does not hold any Level 3 investments.

There have been no significant transfers between Level 1 and Level 2 for the periods January 1, 2023 to June 30, 2023 and January 1, 2022 to December 31, 2022.

# MD Short-Term Bond Fund

## Fund Specific Notes (unaudited)

### Redeemable Unit Transactions

for the periods ended June 30

	2023	2022
<b>SERIES A</b>		
Outstanding, beginning of period	3,190,624	4,168,725
Issued	61,105	120,274
Redeemed	(537,532)	(509,881)
<b>Outstanding, end of period</b>	<b>2,714,197</b>	<b>3,779,118</b>
<b>SERIES D</b>		
Outstanding, beginning of period	11,756	29,660
Issued	12,012	3,288
Redeemed	(1,996)	(21,326)
<b>Outstanding, end of period</b>	<b>21,772</b>	<b>11,622</b>
<b>SERIES F</b>		
Outstanding, beginning of period	4,221,556	4,440,814
Issued	547,772	523,902
Redeemed	(484,278)	(546,914)
<b>Outstanding, end of period</b>	<b>4,285,050</b>	<b>4,417,802</b>
<b>SERIES I</b>		
Outstanding, beginning of period	33,811,384	39,571,769
Issued	676,263	1,943,736
Redeemed	(2,527,353)	(5,262,356)
<b>Outstanding, end of period</b>	<b>31,960,294</b>	<b>36,253,149</b>

### Securities on Loan

(in \$000's)	June 30, 2023	December 31, 2022
Fair value of securities loaned	\$ 51,823	\$ 23,960
Fair value of collateral (non-cash)	\$ 54,440	\$ 25,168

State Street Bank and Trust Co. is entitled to receive payments out of the gross amount generated from the securities lending transactions of the Fund and bears all operational costs directly related to securities lending as well as the cost of borrower default indemnification.

The table below sets out a reconciliation of the gross amount generated from the securities lending transactions of the Fund to the revenue from securities lending disclosed under securities lending income in the Fund's Statements of Comprehensive Income.

for the periods ended June 30 (in \$000's)	2023	2022
Gross amount generated from the securities lending transactions	\$ 17	\$ 32
Amounts paid to State Street Bank and Trust Co.	\$ (3)	\$ (6)
<b>Net securities lending income as reported in the Statements of Comprehensive Income</b>	<b>\$ 14</b>	<b>\$ 26</b>

### Amounts Subject to Master Netting Arrangements

(in \$000's)

In the normal course of business, the Fund enters into various enforceable master netting arrangements with its derivative counterparties.

The following tables present the Fund's financial assets and liabilities subject to enforceable master netting arrangements. The tables are presented by financial instrument type.

#### FINANCIAL ASSETS

	Gross Asset	Gross Liabilities Offset	Net Amounts Presented	Financial Instruments Eligible for Offset	Net
<b>June 30, 2023</b>					
Forward currency contracts	\$ 302	\$ 12	\$ 290	\$ -	\$ 290
<b>Total</b>	<b>\$ 302</b>	<b>\$ 12</b>	<b>\$ 290</b>	<b>\$ -</b>	<b>\$ 290</b>

#### December 31, 2022

Forward currency contracts	\$ 390	\$ 381	\$ 9	\$ -	\$ 9
Futures contracts	23	-	23	-	23
<b>Total</b>	<b>\$ 413</b>	<b>\$ 381</b>	<b>\$ 32</b>	<b>\$ -</b>	<b>\$ 32</b>

#### FINANCIAL LIABILITIES

	Gross Liability	Gross Asset Offset	Net Amounts Presented	Financial Instruments Eligible for Offset	Net
<b>June 30, 2023</b>					
Forward currency contracts	\$ 29	\$ 12	\$ 17	\$ -	\$ 17
<b>Total</b>	<b>\$ 29</b>	<b>\$ 12</b>	<b>\$ 17</b>	<b>\$ -</b>	<b>\$ 17</b>

#### December 31, 2022

Forward currency contracts	\$ 2,246	\$ 381	\$ 1,865	\$ -	\$ 1,865
<b>Total</b>	<b>\$ 2,246</b>	<b>\$ 381</b>	<b>\$ 1,865</b>	<b>\$ -</b>	<b>\$ 1,865</b>

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## 1. Name and formation of the Funds

### ESTABLISHMENT OF THE FUNDS

The MD Family of Mutual Funds (individually a “Fund” and collectively the “Funds”) are unincorporated mutual fund trusts formed under the laws of the province of Ontario pursuant to the Declarations of Trust, and the creation dates are as follows:

	Series A	Series I	Series D	Series F2	Series F	Private Trust Units
MD Precision Canadian Balanced Growth Fund	September 9, 1992	October 30, 2009	March 19, 2018		May 10, 2017	
MD Bond Fund	April 6, 1988	October 30, 2009	March 19, 2018		May 10, 2017	
MD Short-Term Bond Fund	September 19, 1995	October 30, 2009	March 19, 2018		May 10, 2017	
MD Precision Canadian Moderate Growth Fund	September 9, 1992	October 30, 2009	March 19, 2018		May 10, 2017	
MD Equity Fund	March 1, 1966	October 30, 2009	March 19, 2018		May 10, 2017	
MD Dividend Growth Fund	January 4, 2007	October 30, 2009	March 19, 2018		May 10, 2017	
MD International Growth Fund	July 19, 2000	October 30, 2009	March 19, 2018		May 10, 2017	
MD International Value Fund	January 5, 2004	October 30, 2009	March 19, 2018		May 10, 2017	
MD Money Fund	July 12, 1983		March 19, 2018	May 24, 2017		
MD Canadian Equity Fund	October 29, 1993	October 30, 2009	March 19, 2018		May 10, 2017	
MD American Growth Fund	September 9, 1992	October 30, 2009	March 19, 2018		May 10, 2017	
MD American Value Fund	July 10, 2000	October 30, 2009	March 19, 2018		May 10, 2017	
MD Strategic Yield Fund	January 30, 2014	January 30, 2014	March 19, 2018		May 10, 2017	
MD Strategic Opportunities Fund	January 30, 2014	January 30, 2014	March 19, 2018		May 10, 2017	
MD Precision Conservative Portfolio	January 6, 2010		March 19, 2018	May 24, 2017	May 10, 2017	
MD Precision Balanced Income Portfolio	March 27, 2012		March 19, 2018	May 24, 2017	May 10, 2017	
MD Precision Moderate Balanced Portfolio	January 6, 2010		March 19, 2018	May 24, 2017	May 10, 2017	
MD Precision Moderate Growth Portfolio	March 27, 2012		March 19, 2018	May 24, 2017	May 10, 2017	
MD Precision Balanced Growth Portfolio	January 6, 2010		March 19, 2018	May 24, 2017	May 10, 2017	
MD Precision Maximum Growth Portfolio	January 6, 2010		March 19, 2018	May 24, 2017	May 10, 2017	
MD Fossil Fuel Free Bond Fund	May 11, 2016	May 11, 2016	March 19, 2018		May 10, 2017	
MD Fossil Fuel Free Equity Fund	May 11, 2016	May 11, 2016	March 19, 2018		May 10, 2017	
MD Precision Conservative Index Portfolio				January 2, 2019		
MD Precision Moderate Balanced Index Portfolio				January 2, 2019		
MD Precision Balanced Growth Index Portfolio				January 2, 2019		
MD Precision Maximum Growth Index Portfolio				January 2, 2019		

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

	Series A	Series I	Series D	Series F2	Series F	Private Trust Units
MDPIM Canadian Equity Pool	June 16, 1999					August 9, 2000
MDPIM US Equity Pool	August 6, 1999					August 9, 2000
MDPIM Emerging Markets Equity Pool	April 11, 2014	March 19, 2018	March 19, 2018		March 19, 2018	
MDPIM S&P/TSX Capped Composite Index Pool	March 20, 2017				November 21, 2017	
MDPIM S&P 500 Index Pool	March 20, 2017				November 21, 2017	
MDPIM International Equity Index Pool	March 20, 2017				November 21, 2017	

MD Growth Investments Limited ("MD Growth") is a mutual fund corporation incorporated under the laws of Ontario pursuant to the Letters Patent and the series creation dates are as follows:

	Series A	Series I	Series D	Series F
MD Growth Investments Limited	July 18, 1969	October 30, 2009	May 16, 2018	May 10, 2017

MD Financial Management Inc. ("the Manager") is the Manager and Trustee of the Funds. The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank"). The address of the Funds' registered office is 1870 Alta Vista, Ottawa, Ontario.

Throughout these Notes to the Financial Statements, the shares of MD Growth Investments Limited have been referred to as "units" to simplify the presentation.

The financial statements of the Funds include the Statements of Financial Position as of June 30, 2023 and December 31, 2022, as applicable, and the Statements of Comprehensive Income, the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and the Statements of Cash Flows for the periods ended June 30, 2023 and 2022, except for Funds established during either period, in which case the information provided relates to the period from creation date to June 30, 2023 or 2022. The Schedule of Investment Portfolio for each of the Funds is at June 30, 2023.

These financial statements were authorized for issue by the Manager on August 10, 2023.

## SERIES OF UNITS

"Series A" units are available to all MD Management Ltd. clients who are qualified eligible investors. The MDPIM Canadian Equity Pool and MDPIM US Equity Pool "Series A" units are closed to new subscribers. Investors holding "Series A" units of MDPIM Canadian Equity Pool and MDPIM US Equity Pool are allowed to hold their units, as well as subscribe for additional "Series A" units.

"Series D" units are available to all MD Management Ltd. clients who are qualified eligible investors and who have an MD Direct Trade™ account with MD Management Ltd.

"Series F" units are available to all MD Management Ltd. clients who are qualified eligible investors and who have a fee-based account with MD Management Ltd.

"Series F2" units are available only to qualified eligible investors who open an MD ExO® Direct account with MD Management Ltd.

"Series I" units were established to support the MD Precision Conservative Portfolio, the MD Precision Moderate Balanced Portfolio, the MD Precision Balanced Growth Portfolio, the MD Precision Maximum Growth Portfolio, the MD Precision Balanced Income Portfolio and the MD Precision Moderate Growth Portfolio. These units are only available to the six Funds listed above and certain institutional investors, and are not charged management fees.

MDPIM Canadian Equity Pool and MDPIM US Equity Pool offer "Private Trust Series" and MDPIM Emerging Markets Equity Pool, MDPIM S&P/TSX Capped Composite Index Pool, MDPIM S&P 500 Index Pool and MDPIM International Equity Index Pool offer "Series A" units which may be purchased by either MD Private Investment Counsel (an operating division of MD Financial Management Inc.) or MD Private Trust Company clients who have appointed MD Private Investment Counsel to provide discretionary portfolio management services and advice to them or MD Private Trust Company to provide trust services.

## 2. Basis of presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). The preparation of these financial statements in accordance with IFRS requires the use of judgment in applying accounting policies and to make estimates and assumptions concerning the future. Significant accounting judgments and estimates made by the Manager are disclosed in Note 7.

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## 3. Significant accounting policies

### FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Canadian dollars, which is the Funds' functional currency. Cash, investments and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on each valuation date. Transactions during the year in currencies other than Canadian dollars are translated into Canadian dollars at the rate of exchange prevailing on the trade date of the transaction. The difference in the foreign exchange rate between trade date and settlement date of a transaction is recognized in income on the Statements of Comprehensive Income. Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" and those relating to other financial assets and liabilities are presented within net gains or losses on the sale of investments or derivatives.

All financial information is presented in Canadian dollars and has been rounded to the nearest thousand, unless otherwise stated.

### FINANCIAL INSTRUMENTS

The Funds classify and measure financial instruments in accordance with IFRS 9 "Financial Instruments" (IFRS 9). All financial assets and liabilities are recognized in the Statements of Financial Position when the Funds become party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Funds have transferred substantially all the risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date.

The Funds classify investments, including derivatives, as fair value through profit or loss (FVTPL). Investment classification is based on both the Funds' business model for managing those investments and their contractual cash flow characteristics. The portfolio of investments is managed and performance is evaluated on a fair value basis in accordance with the Funds' investment strategy. The Funds are primarily focused on fair value information and use that information to assess performance and to make decisions. The contractual cash flows of the Funds' debt securities are generally principal and interest, however, the collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at FVTPL. Subsequent to initial recognition, investments, including derivatives, are measured at FVTPL. Gains and losses arising from changes in the fair value are included in the Statements of Comprehensive Income for the years in which they arise.

The Funds' obligation for net assets attributable to holders of redeemable units is measured at FVTPL, with fair value being the redemption amount at the reporting date.

Cash is measured at fair value upon recognition and subsequently at amortized cost.

Other financial assets and liabilities, such as accrued interest and dividends receivable, accounts receivable for investment transactions, subscriptions receivable, amounts receivable for securities lending transactions, distributions payable, accounts payable for investment transactions and redemptions payable are recognized initially at fair value, net of transaction costs, and subsequently stated at amortized cost using the effective interest rate method. Under this method, these financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the contracts' effective interest rate.

### NET ASSETS VERSUS NET ASSET VALUE

The Funds' accounting policies for measuring the fair value of their investments and derivatives are identical to those used in measuring the net asset value (NAV) for transactions with unitholders in accordance with Part 14 of National Instruments 81-106 Investment Funds for Continuous Disclosure ("NI 81-106").

### INCOME RECOGNITION

Gains and losses arising from changes in fair value of non-derivative financial assets are shown in the Statements of Comprehensive Income as "Change in unrealized appreciation (depreciation) of investments" and as "Net realized gain (loss) on sale of investments" when positions are sold.

Gains and losses arising from changes in fair value of derivatives are shown in the Statements of Comprehensive Income as "Change in unrealized appreciation (depreciation) on derivative instruments" and as Net realized gain (loss) on derivative instruments" when positions are closed out or have expired, where applicable.

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds, accounted for on an accrual basis. Dividend income and distributions to unitholders are recorded on the ex-dividend date. Distributions from underlying funds out of interest, foreign income and related withholding taxes, Canadian dividends and net realized capital gains are recognized when declared. Realized gains or losses from investment transactions and the unrealized appreciation or depreciation of investments are computed on an average cost basis, which exclude brokerage commissions and other trading expenses. Brokerage commissions and other trading expenses are charged to income as incurred.

### OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when the Funds currently have a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. In the normal course of business, the Funds may enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be set off in certain circumstances, such as bankruptcy or termination of the contracts. Financial assets and liabilities that are subject to master netting or comparable agreements and the related potential effect of offsetting are disclosed in the respective Fund Specific Notes.

Transactions with counterparties are governed by separate master netting agreements. Each agreement allows for net settlement of certain open contracts where the Fund and respective counterparty both elect to settle on a net basis. In the absence of such an election, contracts will be settled on a gross basis. However, each party to the master netting agreement will have the option to settle all open contracts on a net basis in the event of default of the other party.

### NON-CASH TRANSACTIONS

Non-cash transactions on the Statements of Cash Flows include reinvested distributions from the underlying mutual funds and stock dividends from equity investments. These amounts represent non-cash income recognized in the Statements of Comprehensive Income. In addition, reclassifications between series of the same fund are also non-cash in nature and have been excluded from "Proceeds from issue of redeemable units" and "Cash paid on redemption of redeemable units" on the Statements of Cash Flows.

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## FAIR VALUE MEASUREMENT

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. Investments are categorized as FVTPL and are recorded at fair value. In the case of securities traded in an active market, fair value is based on quoted market prices at the close of trading on the reporting date as provided by independent pricing services. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within the day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. In the case of investments not traded in an active market, or for those securities for which the Manager feels the latest market prices are not reliable, fair value is estimated based on valuation techniques established by the Manager. Valuation techniques established by the Manager are based on observable market data except in situations where there is no relevant or reliable market data. The value of securities estimated using valuation techniques not based on observable market data, if any, is disclosed in the Financial Instruments Risks section of the financial statements.

## FINANCIAL DERIVATIVES INSTRUMENTS

A derivative is a financial contract between two parties, the value of which is derived from the value of an underlying asset such as an equity, bond, commodity, interest rate or currency. Certain Funds may use derivatives, such as options, futures, forward contracts, swap contracts, and other similar instruments, in a manner considered appropriate to achieving the Fund's investment objectives. Derivatives may be used to protect a security price, currency exchange rate or interest rate from negative changes (hedging) or to provide exposure to securities, indices, or currencies without investing in them directly (non-hedging). Derivatives contain various risks including the potential inability for the counterparty to fulfil their obligations under the terms of the contract, the potential for illiquid markets and the potential price risk which may expose the Funds to gains and/or losses in excess of the amounts shown on the Statements of Financial Position. Derivatives with unrealized gains are reported as financial derivative instruments under current assets and derivatives with unrealized losses are reported as financial derivative instruments under current liabilities.

### Forward Currency Contracts

Certain Funds may enter into forward currency contracts for either hedging or non-hedging purposes where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities. A forward currency contract is an agreement between two parties to buy and sell a currency at a set price on a future date. Investments in forward currency contracts are entered into with approved counterparties and are recorded at fair value. The fair value of a forward currency contract fluctuates with changes in foreign currency exchange rates. The fair value of forward currency contracts is reported as financial derivative instruments in the Statements of Financial Position. Forward currency contracts are marked to market daily and the changes in fair value of forward currency contracts are recorded in "Change in unrealized appreciation (depreciation) of derivative instruments". Upon closing of the contracts, the accumulated gains or losses are reported in "Net realized gain (loss) on sale of derivative instruments". The contractual amounts of open contracts are disclosed in the Schedule of Investment Portfolio in the Schedule of Derivative Instruments.

### Futures Contracts

Futures contracts are valued on each valuation day using the closing market price posted on the related public exchange. The fair value of future contracts is reported as "Financial Derivative Instruments" in the Statements of Financial Position. All gains or losses arising from futures contracts are recorded as part of "Change in unrealized appreciation (depreciation) of derivative instruments" in the Statements of Comprehensive Income until the contracts are closed out or expire, at which time the gains or losses are realized and reported as "Net realized gain (loss) on derivative instruments".

### Credit Default Swaps

Certain Funds may enter into credit default swap contracts, primarily to manage and/or gain exposure to credit risk where such activity is consistent with their investment objectives and as permitted by the Canadian securities regulatory authorities. A credit default swap is an agreement between the Fund and a counterparty whereby the buyer of the contract receives credit protection and the seller of the contract guarantees the credit worthiness of a referenced debt obligation. The underlying referenced debt obligation may be a single issuer of corporate or sovereign debt, a credit index, or a tranche of a credit index. The credit risk exposure of a Fund to the referenced asset is comparable to the exposure that would have resulted if the Fund were invested directly in the referenced debt obligation. If the Funds are buyers of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Funds will either (i) receive the notional amount of the credit default swap contract from the seller in exchange for the referenced debt obligation or (ii) receive a net settlement amount equal to the notional amount of the credit default swap contract less the recovery amount of value of the referenced debt obligation. If the Funds are sellers of protection and a credit event occurs, as defined under the terms of that particular swap agreement, the Funds will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation, other deliverable obligations or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The maximum credit risk to the Fund as a seller of protection is the notional amount of the contract.

Over the term of the contract, the buyer pays the seller a periodic stream of payments, provided that no event of default has occurred. Such periodic payments paid or received are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. Credit Default Swaps are disclosed in the Schedule of Derivative Instruments. The change in value of a credit default swap contract and any upfront premium paid or received is included in the Statements of Financial Position as Financial Derivative Instruments. When the credit default swap contracts are closed out, gains or losses, including upfront premiums, are realized and included in the Statements of Comprehensive Income in "Net realized gain (loss) on derivative instruments". Pursuant to the terms of the credit default swap contract, cash or securities may be required to be deposited as collateral.

### Interest Rate Swaps

Certain Funds may enter into interest rate swap contracts, primarily to manage and/or gain exposure to fluctuations in interest rates. An interest rate swap is an agreement between the Fund and a counterparty whereby the parties agree to exchange a fixed payment for a floating payment that is linked to an interest rate and an agreed upon notional amount.



# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

Over the term of the contract, each party will pay to the other party a periodic stream of payments. Such periodic payments paid or received are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. Interest Rate Swaps are disclosed in the Schedule of Derivative Instruments. The change in value of an interest rate swap contract and any upfront premium paid or received is included in the Statements of Financial Position as Financial Derivative Instruments. When the interest rate swap contracts are closed out, gains or losses, as well as any upfront premiums, are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **Total Return Swaps**

Certain Funds may enter into total return swap contracts primarily to manage and/or gain exposure to the underlying reference asset. An total return swap is an agreement between the Fund and a counterparty where single or multiple cash flows are exchanged based on the price of an underlying reference asset and based on a fixed or variable rate.

Over the term of the contract, the Funds will pay to the counterparty a periodic stream of payments based on fixed or variable rate. Such periodic payments paid are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. At the maturity date, a net cash flow is exchanged where the total return is equivalent to the return of the underlying reference asset less a financing rate, if any. As a receiver, the Funds would receive payments based on any net positive total return and would owe payments in the event of a net negative total return. Total return swaps are disclosed in the Schedule of Derivative Instruments. The change in value of an total return swap contract is included in the Statements of Financial Position as Financial Derivative Instruments. When the total return swap contracts are closed out, gains or losses are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **Cross Currency Swaps**

Certain Funds may enter into cross currency swap contracts, primarily to manage and/or gain exposure to currency risk. A cross currency swap is an agreement between the Fund and a counterparty whereby the parties agree to exchange interest payments and principal on loans denominated in two different currencies.

Over the term of the contract, each party will pay to the other party a periodic stream of payments. Such periodic payments paid or received are accrued daily and are included in the Statements of Comprehensive Income in Net Interest Income (Expense) from Swap Contracts. Cross currency swaps are disclosed in the Schedule of Derivative Instruments. The change in value of a cross currency swap contract and any upfront premium paid or received is included in the Statements of Financial Position as Financial Derivative Instruments. When the cross currency swap contracts are closed out, gains or losses, as well as any upfront premiums, are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **Foreign Currency Option Contracts**

Certain Funds may purchase foreign currency options. Purchasing foreign currency options gives the Fund the right, but not the obligation to buy or sell the currency and will specify the amount of currency and a rate of exchange that may be exercised by a specified date. These options may be used as a hedge against possible variations in foreign exchange rates or to gain exposure to foreign currencies.

Foreign currency option contracts are disclosed in the Schedule of Derivative Instruments. The change in value of a foreign currency option contract and any premiums paid are included in the Statements of Financial Position as Financial Derivative Instruments. When the foreign currency option contracts are closed out, gains or losses, as well as any premiums paid, are realized and included in the Statements of Comprehensive Income in Net realized gain (loss) on derivative instruments.

## **CAPITAL RISK MANAGEMENT**

Units issued and outstanding are considered to be the capital of the Funds. The Funds do not have any specific capital requirements on the subscription and redemption of units, other than certain minimum subscription. The Funds' units are offered for sale on any business day and may be redeemed or issued at the Net Asset Value (NAV) per unit for the respective series on that business day. A business day refers to any day the Toronto Stock Exchange is open for business. The NAV for each series is computed daily by calculating the value of that series' proportionate share of net assets and liabilities of the Fund common to all series less liabilities attributable to that series. Expenses directly attributable to a series are charged to that series. Assets, common liabilities, revenues and other expenses are allocated proportionately to each series based upon the relative NAVs of each series. The NAV per unit is determined by dividing the NAV of each series of a Fund by the total number of units of that series outstanding.

## **INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT**

"Increase (decrease) in net assets attributable to holders of redeemable units per unit" in the Statements of Comprehensive Income represents the increase or decrease in net assets attributable to holders of redeemable units attributable to each series of units for the year, divided by the weighted average units outstanding in that series during the year.

## **SECURITIES LENDING TRANSACTIONS**

A Fund may lend portfolio securities to earn additional income through a securities lending agreement with its custodian. The aggregate market value of all securities loaned by the Fund cannot exceed 50% of the assets of the Fund. The Fund receives collateral in the form of securities deemed acceptable under National Instrument 81-102, "Mutual Funds" ("NI81-102") of at least 102% of the fair value of securities on loan. Collateral held is typically government and corporate bonds.

Income from securities lending is recorded as "Securities lending" on a monthly basis when it is receivable. Securities lending details are listed in Securities on Loan included in the Fund Specific Notes to the financial statements. The securities lending agent earns 20% of the gross income generated through any securities lending transactions in the Funds.

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## REDEEMABLE UNITS

Certain Funds issue different series of redeemable units, which are redeemable at the holder's option and do not have identical rights. Such units are classified as financial liabilities. Redeemable units can be put back to the Funds at any date for cash equal to a proportionate share of the Funds' net asset value attributable to the series. 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 Funds. Funds with only one series do not meet the criteria to be classified as equity as they impose on the Fund the obligation to deliver cash other than on redemption. Each such Fund must distribute its taxable income to unitholders annually and has provided unitholders the option to receive such distributions in cash.

## INVOLVEMENT 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.

Certain Funds' investment strategy entails trading in other funds on a regular basis. The Funds consider all of their investments in other funds ("Investee Funds") to be investments in unconsolidated structured entities. The Funds invest in Investee Funds whose objectives range from conserving principal to maximizing dividend income to long-term capital growth and whose investment strategies do not include leverage. The Investee Funds finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportionate stake in the respective Investee Fund's net assets. The Funds hold redeemable units in each of their Investee Funds and the Funds have the right to request redemption of their investment in Investee Funds daily. The Funds' investments in Investee Funds are subject to the terms and conditions of the respective Investee Fund's offering documentation. The change in fair value of each Investee Fund is included in the Statements of Comprehensive Income in "Change in unrealized appreciation (depreciation) of investments". The Funds' maximum exposure to loss from their interest in Investee Funds is equal to the fair value of their investments in Investee Funds. Once a Fund has disposed of its shares in an Investee Fund the Fund ceases to be exposed to any risk from that investee fund.

Certain Funds invest in Exchange Traded Funds ("ETFs") which are disclosed on the Schedule of Investment Portfolio and these Funds have determined that their investments in such ETFs are deemed unconsolidated structured entities. These ETFs replicate, to the extent possible, the performance of the applicable benchmark indices, or seek to provide long-term capital growth or income, as applicable, by investing primarily in and holding the constituent securities of the applicable benchmark indices in substantially the same proportion as they are reflected in the applicable benchmark indices or seek to track the investment results of applicable benchmark indices. The ETFs finance their operations by issuing redeemable shares which are puttable at the holder's option and entitle the holder to a proportional stake in the respective ETF's net asset value. The underlying ETFs are listed on a recognized public stock exchange.

Certain Funds invest in mortgage-related and other asset-backed securities ("MBS"). These securities include mortgage pass-through securities, collateralized mortgage obligations, commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property. The debt and equity securities issued by these securities may include tranches with varying levels of subordination. These securities may provide a monthly payment which consists of both interest and principal payments. Mortgage-related securities are created from pools of residential or commercial mortgage loans, including mortgage loans made by savings and loan institutions, mortgage bankers, commercial banks and others. Asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans, and student loans. The Funds' maximum exposure to loss from their interest in MBS is equal to the fair value of their investments in such securities as disclosed on the Schedule of Investment Portfolio.

A table has been included in the Fund Specific Notes which describes the types of structured entities that the Funds do not consolidate but in which they hold an interest.

## 4. Expenses

### MANAGEMENT FEES

Certain series of the Funds pay the Manager a management fee. The management fees cover the cost of managing the Funds, arranging for investment analysis, recommendations and investment decision making for the Funds, arranging for distribution of the Funds, marketing and promotion of the Funds and providing or arranging for others services for the Funds. The management fee is an annualized rate based on the net asset value of each series of the Funds. The management fees paid by the Funds are calculated and accrued daily and payable weekly.

No management fee is charged by the Manager of the Funds in respect of: the Private Trust Series of MDPIM Canadian Equity Pool and MDPIM US Equity Pool and Series A of MDPIM S&P/TSX Capped Composite Index Pool, MDPIM S&P 500 Index Pool, MDPIM International Equity Index Pool and MDPIM Emerging Markets Equity Pool, since investors in these units and series of units have agreed to pay a separate scaled managed account fee based on assets under management directly to MD Private Investment Counsel. No management fee is charged in respect of Series I. Management fees for Series I units are paid directly by investors.

There is no duplication of management fees between the Funds and the Underlying Funds held directly by them, if any. The Manager is entitled to an annual management fee, exclusive of sales taxes, as follows:

Fund	Series A	Series D	Series F	Series F2	Private Trust Units
MD Precision Canadian Balanced Growth Fund	1.24%	0.89%	0.29%	n/a	n/a
MD Bond Fund	0.84%	0.50%	0.04%	n/a	n/a
MD Short-Term Bond Fund	0.84%	0.45%	0.04%	n/a	n/a
MD Growth Investments Limited	1.24%	0.84%	0.29%	n/a	n/a
MD Precision Canadian Moderate Growth Fund	1.24%	0.89%	0.29%	n/a	n/a



# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

Fund	Series A	Series D	Series F	Series F2	Private Trust Units
MD Equity Fund	1.24%	0.70%	0.29%	n/a	n/a
MD Dividend Growth Fund	1.24%	0.85%	0.29%	n/a	n/a
MD International Growth Fund	1.59%	0.87%	0.64%	n/a	n/a
MD International Value Fund	1.59%	0.87%	0.64%	n/a	n/a
MD Money Fund	0.49%	0.23%	n/a	0.04%	n/a
MD Canadian Equity Fund	1.24%	0.70%	0.29%	n/a	n/a
MD American Growth Fund	1.24%	0.72%	0.29%	n/a	n/a
MD American Value Fund	1.44%	0.72%	0.49%	n/a	n/a
MD Strategic Yield Fund*	1.39%	0.45%	0.44%	n/a	n/a
MD Strategic Opportunities Fund*	1.64%	0.46%	0.69%	n/a	n/a
MD Precision Conservative Portfolio	1.13%	0.52%	0.18%	0.18%	n/a
MD Precision Balanced Income Portfolio	1.18%	0.59%	0.23%	0.23%	n/a
MD Precision Moderate Balanced Portfolio	1.25%	0.68%	0.30%	0.30%	n/a
MD Precision Moderate Growth Portfolio	1.30%	0.72%	0.35%	0.35%	n/a
MD Precision Balanced Growth Portfolio	1.32%	0.80%	0.37%	0.37%	n/a
MD Precision Maximum Growth Portfolio	1.35%	0.81%	0.40%	0.40%	n/a
MD Fossil Fuel Free Bond Fund	0.84%	0.50%	0.04%	n/a	n/a
MD Fossil Fuel Free Equity Fund	1.24%	0.87%	0.29%	n/a	n/a
MD Precision Conservative Index Portfolio	n/a	n/a	n/a	0.06%	n/a
MD Precision Moderate Balanced Index Portfolio	n/a	n/a	n/a	0.12%	n/a
MD Precision Balanced Growth Index Portfolio	n/a	n/a	n/a	0.13%	n/a
MD Precision Maximum Growth Index Portfolio	n/a	n/a	n/a	0.14%	n/a

Fund	Series A	Series D	Series F	Series F2	Private Trust Units
MDPIM Canadian Equity Pool	1.25%	n/a	n/a	n/a	-
MDPIM US Equity Pool	1.25%	n/a	n/a	n/a	-
MDPIM Emerging Markets Equity Pool	-	1.08%	0.71%	n/a	n/a
MDPIM S&P/TSX Capped Composite Index Pool	-	n/a	0.04%	n/a	n/a
MDPIM S&P 500 Index Pool	-	n/a	0.07%	n/a	n/a
MDPIM International Equity Index Pool	-	n/a	0.19%	n/a	n/a

\*The fee disclosed for Series A and Series F is the maximum management fee as disclosed in the simplified prospectus. There was a discretionary reduction in fees for these series and the Manager charged the following: MD Strategic Yield Fund Series A: 0.99% and Series F: 0.04%, MD Strategic Opportunities Fund Series A: 0.99% and Series F: 0.04%.

## ADMINISTRATION FEES

The Manager pays certain operating expenses of the Funds in return for administration fees, calculated as a fixed annual percentage of the Funds' net asset value. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, audit fees, legal fees custodial fees, all expenses related to the prospectus and to meetings of unitholders, expenses related to fund accounting, fund valuation, unitholder reporting and record keeping, IRC fees and other expenses.

No administration fee is charged in respect of Series I. Administration fees for Series I units are paid directly by investors.

The administration fee are accrued daily and paid monthly. The annual rates of the administration fee, which are a percentage of the net asset value for each series of units of each Fund, are as follows:

Fund	Series A	Series D	Series F	Series F2	Private Trust Units
MD Precision Canadian Balanced Growth Fund	0.13%	0.13%	0.13%	n/a	n/a
MD Bond Fund	0.07%	0.07%	0.07%	n/a	n/a
MD Short-Term Bond Fund	0.07%	0.07%	0.07%	n/a	n/a
MD Growth Investments Limited	0.20%	0.20%	0.20%	n/a	n/a
MD Precision Canadian Moderate Growth Fund	0.13%	0.13%	0.13%	n/a	n/a
MD Equity Fund	0.15%	0.15%	0.15%	n/a	n/a
MD Dividend Growth Fund	0.15%	0.15%	0.15%	n/a	n/a
MD International Growth Fund	0.20%	0.20%	0.20%	n/a	n/a
MD International Value Fund	0.20%	0.20%	0.20%	n/a	n/a

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

Fund	Series A	Series D	Series F	Series F2	Private Trust Units
MD Money Fund	0.05%	0.05%	n/a	0.05%	n/a
MD Canadian Equity Fund	0.15%	0.15%	0.15%	n/a	n/a
MD American Growth Fund	0.15%	0.15%	0.15%	n/a	n/a
MD American Value Fund	0.15%	0.15%	0.15%	n/a	n/a
MD Strategic Yield Fund	0.10%	0.10%	0.10%	n/a	n/a
MD Strategic Opportunities Fund	0.10%	0.10%	0.10%	n/a	n/a
MD Precision Conservative Portfolio	0.13%	0.13%	0.13%	0.13%	n/a
MD Precision Balanced Income Portfolio	0.13%	0.13%	0.13%	0.13%	n/a
MD Precision Moderate Balanced Portfolio	0.13%	0.13%	0.13%	0.13%	n/a
MD Precision Moderate Growth Portfolio	0.13%	0.13%	0.13%	0.13%	n/a
MD Precision Balanced Growth Portfolio	0.13%	0.13%	0.13%	0.13%	n/a
MD Precision Maximum Growth Portfolio	0.13%	0.13%	0.13%	0.13%	n/a
MD Fossil Fuel Free Bond Fund	0.07%	0.07%	0.07%	n/a	n/a
MD Fossil Fuel Free Equity Fund	0.20%	0.20%	0.20%	n/a	n/a
MD Precision Conservative Index Portfolio	n/a	n/a	n/a	-	n/a
MD Precision Moderate Balanced Index Portfolio	n/a	n/a	n/a	-	n/a
MD Precision Balanced Growth Index Portfolio	n/a	n/a	n/a	-	n/a
MD Precision Maximum Growth Index Portfolio	n/a	n/a	n/a	-	n/a
MDPIM Canadian Equity Pool	-	n/a	n/a	n/a	-
MDPIM US Equity Pool	-	n/a	n/a	n/a	-
MDPIM Emerging Markets Equity Pool	-	0.20%	0.20%	n/a	n/a
MDPIM S&P/TSX Capped Composite Index Pool	-	n/a	-	n/a	n/a
MDPIM S&P 500 Index Pool	-	n/a	-	n/a	n/a
MDPIM International Equity Index Pool	-	n/a	-	n/a	n/a

## 5. Related Party Transactions

The Manager is a wholly-owned subsidiary of The Bank of Nova Scotia ("Scotiabank"). Scotiabank also owns, directly or indirectly, 100% of Scotia Securities Inc. and Tangerine Investment Funds Limited, each a mutual fund dealer, and Scotia Capital Inc. (which includes Scotia McLeod and Scotia iTRADE), an investment dealer.

The Manager, on behalf of the Funds, may enter into transactions or arrangements with other members of Scotiabank or certain companies that are related or connected to the Manager (each a "related party"). All transactions between the Funds and the related parties are in the normal course of business and are carried out at arm's length terms.

- The Manager earns management fees for acting as trustee and manager of the Funds, as applicable and an administration fee in return for paying certain operating expenses as detailed in Note 4. The management fee and administration fee are disclosed in separate lines in the Statements of Comprehensive Income.
- Decisions about the purchase and sale of each Fund's portfolio investments are made by appointed Portfolio Managers of each Fund. Provided that the pricing, service and other terms are comparable to those offered by other dealers, a portion of the portfolio transactions may be executed for the Funds by a related party to the Funds. In such cases, the related party will receive commissions from the Funds. Brokerage fees paid to related parties for the period ended June 30, 2023 and 2022 are as follows (in \$000's):

Fund	June 30, 2023	June 30, 2022
MD Precision Canadian Balanced Growth Fund	11	7
MD Precision Canadian Moderate Growth Fund	10	4
MD Equity Fund	43	46
MD Dividend Growth Fund	4	3
MD Canadian Equity Fund	33	34
MD Strategic Yield Fund	-	2
MD Strategic Opportunities Fund	1	-
MD American Growth Fund	-	3
MD American Value Fund	-	3
MDPIM Canadian Equity Pool	154	115
MDPIM Emerging Markets Equity Pool	-	2
MDPIM S&P/TSX Capped Composite Index Pool	2	-
MDPIM US Equity Pool	-	29
MD Growth Investments Limited	4	-

- The Manager received approval from the Independent Review Committee to invest the Funds' overnight cash with Scotiabank with interest paid by Scotiabank to the Funds based on prevailing market rates. The interest earned by the Funds is included in "Interest for distribution purposes" in the Statements of Comprehensive Income.

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

- The Funds may invest in investment funds managed by the Manager, which are disclosed in the Schedule of Investment Portfolio for the respective Funds.
- The Manager has received approval from the Independent Review Committee for the Funds to purchase securities of related parties, such as investments in securities of Scotiabank. Any related party securities held by the Funds are disclosed in the Schedule of Investment Portfolio for the respective Funds. The Funds are also permitted to enter into derivative transactions with Scotiabank as counterparty.
- Distributions received from related party funds are included in "Income from Underlying Funds" in the Statements of Comprehensive Income.

## INDEPENDENT REVIEW COMMITTEE

The Manager has established an Independent Review Committee ("IRC") as required under National Instrument 81-107, "Independent Review Committee for Investment Funds" ("81-107"). The IRC reviews conflict of interest matters related to the operations of the Funds. In addition, in some circumstances, in place of obtaining unitholder approval, a Fund may be reorganized with or its assets transferred to another mutual fund managed by the Manager or an affiliate. This requires IRC approval, and that unitholders are sent a written notice at least 60 days before the effective date. The approval of the IRC is also required for a change of auditor.

The IRC is composed of five persons who are independent of the Manager, the Funds and entities related to the Manager.

The Manager pays all IRC fees on behalf of the Funds and allocates these fees equally across each Fund. The Manager recovers these costs via the administration fee charged to the Funds. For the period ended June 30, 2023, each Fund managed by the Manager paid approximately \$1,625 in IRC Fees.

## SHORT-TERM TRADING/EARLY REDEMPTION FEE

Clients who redeem or switch units or shares of an MD Fund are charged an early redemption fee equal to 2.00% of the amount redeemed or switched if the redemption or switch occurs within thirty (30) days of the date that the units or shares were purchased or switched. Redemption fees are recorded as income in the period of early redemption.

The early redemption fee does not apply to redemptions or switches:

- of units of MD Money Fund;
- made in connection with any systematic and scheduled withdrawal program;
- where the amount of the redemption or switch is less than \$10,000; or
- made as a result of the recommendation of an MD Financial Consultant or MD Portfolio Manager related to a financial plan.

## 6. Redeemable units

With the exception of MD Growth Investments Limited, the Funds' capital is represented by an unlimited number of authorized units without nominal or par value. All series of units are redeemable on demand by unitholders at the redemption amount represented by respective NAV of that series. Each unit entitles the unitholder to one vote at unitholder meetings and participates equally, with respect to other units of the same series, in any dividends or distributions, liquidation or other rights of that series. Distributions on units of a Fund are reinvested in additional units or at the option of the unitholder, paid in cash. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies and restrictions as outlined in the Funds' prospectus or offering documents, as applicable. The Funds have no specific restrictions or specific capital requirements on the subscription or redemption of units, other than minimum subscription requirements.

MD Growth Investments Limited is an incorporated company as opposed to a mutual fund trust and, as such, has issued share capital.

The units of each series of Funds are issued and redeemed at their net asset value per unit of each series which is determined as of the close of business on each day that the Toronto Stock Exchange is open for trading. The net asset value per unit is calculated by dividing the net asset value per series by the total number of outstanding units in each series. The number of units issued and redeemed are presented in the Fund Specific Notes.

## 7. Critical accounting estimates and judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. These estimates are based on information available as at the date of issuance of the financial statements. Actual results could materially differ from those estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

### INVESTMENT ENTITIES

In accordance with IFRS 10 "Consolidated Financial Statements", the Manager has determined that the Funds meet the definition of an Investment Entity which requires the Funds obtain funds from one or more investors for the purpose of providing investment management services, commit to their investors that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measure and evaluate the performance of their investments on a fair value basis. Consequently, the Funds do not consolidate their investment in subsidiaries, if any, but instead measure these at fair value through profit or loss, as required by the accounting standard.

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## **FAIR VALUE MEASUREMENT OF SECURITIES AND DERIVATIVES NOT QUOTED IN AN ACTIVE MARKET**

The Funds may, from time to time, hold financial instruments that are not quoted in active markets. The fair value of such securities may be determined by the Funds using reputable pricing sources or indicative prices from market makers. Broker quotes obtained from pricing sources may be indicative but not executable or binding. Where no market data is available, the Fund may value positions using internal valuation models as determined appropriate by the Manager and based on valuation methods and techniques generally recognized as standard within the industry. Models use observable data to the extent practicable; however, the Manager may be required to make certain assumptions and/or estimates regarding risks, volatility and correlations as required. Changes in assumptions and estimates could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

## **CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS**

In classifying and measuring financial instruments held by the Funds, the Manager is required to make judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Funds' business model and considered that the Funds' investments, including derivatives, are managed and performance evaluated as a group on a fair value basis. The Manager has concluded that FVTPL in accordance with IFRS 9 provides the most appropriate measurement and presentation for the Funds' investments.

## **8. Financial instrument risk**

The Funds use financial instruments in order to achieve their respective investment objectives. The Funds' investments are presented in the respective Schedule of Investment Portfolio, which groups securities by asset type, geographic region and/or market segment.

The use of financial instruments subjects the Funds to a variety of financial instrument risks. The Funds' risk management practices include setting investment policies to limit exposures to financial instrument risks and employing experienced and professional investment advisors to invest the Funds' capital in securities within the constraints of investment policies. The Manager regularly monitors the Fund advisors' performance and compliance with the investment policies.

The significant financial instrument risks, to which the Funds are exposed, along with the specific risk management practices related to those risks, are presented below. Fund specific disclosures are presented in the "Financial Instruments Risks" section of the financial statements.

### **CREDIT RISK**

Credit risk is the risk that a counterparty to a financial instrument will not honour its obligation under the terms of the instrument, resulting in a loss. The Funds are exposed to credit risk through domestic and foreign bonds, preferred shares, derivative contracts, cash and short-term investments, amounts due from brokers, dividends and interest receivable and other receivables. A Fund may engage in securities lending pursuant to the terms of an agreement which includes restrictions as set out in the Canadian Securities Legislation. Collateral held is in the form of highly rated fixed income instruments. All securities under lending agreements are fully collateralized.

Credit risks arising from short-term investments and fixed income securities, including domestic and foreign bonds and preferred shares, are generally limited to the fair value of the investments as shown in the Schedule of Investment Portfolio. The Funds limit exposure to individual issuers/sectors and credit quality ratings. The credit worthiness of issuers in which the Funds invest are reviewed regularly and the portfolios are adjusted as required to match the minimum requirement as set forth in each Fund's prospectus. Each individual Fund's exposure to credit risk, if any, is presented in the Financial Instruments Risk section of the Financial Statements.

Credit risks arising from cash are limited to the carrying value as shown on the Statements of Financial Position, except in the case of MD Money Fund, where the credit risk is limited to the fair value of investments as shown on the Schedule of Investment Portfolio. The Funds manage credit risk on cash and short-term investments by investing in high grade short-term notes with credit ratings of R-1 (low) or higher as well as limiting exposure to any single issuer.

Certain derivative contracts are subject to netting arrangements whereby if one party to a derivative contract defaults, all amounts with the counterparty are terminated and settled on a net basis. As such, the maximum credit loss on derivative contracts is the financial derivative instrument asset in the Statements of Financial Position. Each Fund manages credit risk on derivatives by only entering into agreements with counterparties that have an approved credit rating. Credit risk on amounts due from brokers is minimal since transactions are settled through clearinghouses where securities are only delivered for payment when cash is received.

Credit risk related to securities lending transactions is limited by the fact that the value of cash or securities held as collateral by the Funds in connection with these transactions is at least 102% of the fair value of the securities loaned. The collateral and loaned securities are marked to market each business day. The aggregate dollar value of portfolio securities lent and collateral held is presented in the Fund Specific Notes.

### **LIQUIDITY RISK**

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Funds' exposure to liquidity risk arises primarily from the daily cash redemption of units. All Funds' financial liabilities come due within one year, other than those derivatives with longer maturities as disclosed in the Schedule of Investment Portfolio. To manage this liquidity requirement, the Funds invest primarily in liquid securities that can readily be sold in active markets and each Fund may borrow up to 5% of its NAV. At year end, no Fund had borrowed against its respective line of credit.

### **CURRENCY RISK**

Currency risk is the risk that the values of financial assets and liabilities denominated in foreign currencies fluctuate due to changes in foreign exchange rates. To the extent the Funds hold assets and liabilities denominated in foreign currencies, the Funds are exposed to currency risk. The Funds may also use forward contracts at the discretion of the Manager. Each individual Fund's exposure to currency risk, if any, is presented in the "Financial Instruments Risks" section of the financial statements.

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## INTEREST RATE RISK

Interest rate risk is the risk that the fair value (measured as the present value) of cash flows associated with interest bearing financial instruments will fluctuate due to changes in the prevailing market rates of interest. In general, as interest rates rise, the fair value of interest bearing financial instruments will fall. Financial instruments with a longer term to maturity will generally have a higher interest rate risk.

The Funds' interest-bearing financial instruments that subject the Funds to interest rate risk include domestic and foreign bonds and mortgage related and other asset back securities. The Funds' may also be exposed indirectly to interest rate risk through their position in interest rate swaps presented in the Schedule of Derivative Instruments. Short-term money market instruments are also interest bearing and therefore subject to interest rate risk. However, due to the short-term nature of the securities, the interest rate risk is generally not significant.

Interest rate risk management practices employed by the Funds include setting target durations based on the appropriate benchmark indices and monitoring the Funds' durations relative to the benchmarks. If interest rates are anticipated to rise, the Funds' durations can be shortened to limit potential losses. Conversely, if interest rates are anticipated to fall, the durations can be lengthened to increase potential gains. Each individual Fund's exposure to interest rate risk, if any, is presented in the "Financial Instruments Risks" section of the financial statements.

## OTHER PRICE RISK

Other price risk is the risk that the fair value of financial instruments may decline because of changes in market prices of the financial instruments, other than declines due to interest rate risk and currency risk. Other price risk stems from financial instruments' sensitivity to changes in the overall market (market risk) as well as factors specific to the individual financial instrument. Other price risk attributable to individual investments is managed through diversification of the portfolio and security selection and adjustments to fair value when there is significant volatility in international markets after markets are closed. Each individual Fund's exposure to other price risk, if any, is presented in the "Financial Instruments Risks" section of the financial statements.

Details of each Fund's exposure to financial instruments risks including fair value hierarchy classification are available in the "Financial Instruments Risks" section of the financial statements of each Fund.

## FINANCIAL RISKS FROM UNDERLYING MUTUAL FUNDS

Certain Funds may invest in other mutual funds. The Funds' investments in mutual funds are subject to the terms and conditions of the respective mutual fund's offering documentation and are susceptible to the risks related to the underlying mutual funds' financial instruments. The Funds' maximum exposure to loss from their interests in mutual funds is equal to the total fair value of their investment in mutual funds. Once the Funds dispose of their shares in an underlying mutual fund, the Funds cease to be exposed to any risk from that mutual fund. The exposure to underlying mutual fund investments is disclosed in the "Financial Instruments Risks" section of the financial statements of each Fund.

## 9. Fair value measurement

The Funds classify fair value measurements within a hierarchy that prioritizes the inputs to Funds' valuation techniques used in measuring fair value. Under these provisions, an entity is required to classify each financial instrument into one of three fair value levels as follows:

- Level 1 - for unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,
- Level 3 - for inputs that are based on unobservable market data.

The classification of a financial instrument is based on the lowest level of input that is significant to the determination of fair value.

All fair value measurements are recurring. The carrying values of cash, receivable for investment transactions, dividends and interest receivable, subscriptions receivable, payable for investment transactions, redemptions payable, distributions payable and the Fund's obligation for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature. Fair values of securities and derivatives are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 ceases to be actively traded, it is transferred out of Level 1. In such cases, fair value is determined using observable market data (eg. transactions for similar securities of the same issuer) and the instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Changes in valuation methods may result in transfers into or out of the assets' or liabilities' assigned levels. The level summary based on the hierarchy inputs is disclosed in the "Financial Instrument Risks" section of each Fund.

Level 3 financial instruments are reviewed by the Funds' fair valuation committee. The fair valuation committee considers the appropriateness of the valuation model inputs, as well as the valuation result, using valuation methods recognized as standard within the industry. Quantitative information about the unobservable inputs, sensitivity of the fair value measurements to changes in unobservable inputs and interrelationships between those inputs are disclosed in the Fund Specific Notes under "Fair value measurement" if significant unobservable inputs are used when valuing Level 3 financial instruments.

## EQUITIES

The Funds' equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. The Funds subscribe to the services of a third-party valuation service provider to provide fair value adjustments, when a defined threshold is met, to the prices of foreign securities due to changes in the value of securities in North American markets following the closure of the foreign markets. The parameters used to apply the fair value adjustments are based on observable market data. Where applicable, the foreign securities will be considered Level 2 priced securities.



# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

## BONDS AND SHORT-TERM INVESTMENTS

Debt securities generally trade in the OTC market rather than on a securities exchange. Bonds including government, corporate, convertible and municipal bonds and notes, bank loans, US and Canadian treasury obligations, sovereign issues and foreign bonds are normally valued by pricing service providers that use broker-dealer quotations, reported trades and valuations from their internal pricing models. These internal pricing models use inputs which are observable including interest rate curves, credit spreads and volatilities. The inputs that are significant to valuation are generally observable and therefore the Funds' bonds and short-term investments have been classified as Level 2, unless the determination of fair value requires significant unobservable input, in which the measurement is classified as Level 3.

## INVESTMENTS IN MUTUAL FUNDS AND EXCHANGE TRADED FUNDS

The Funds' positions in the mutual funds and exchange traded funds are typically in positions that are actively traded and a reliable price is observable and as such is classified as Level 1.

## FINANCIAL DERIVATIVE INSTRUMENTS

Derivatives consisting of foreign currency forward contracts, interest rate swaps, credit default swaps and foreign currency options which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rate and credit spreads. These derivative financial instruments have been classified as Level 2.

Futures contracts and options that are traded on a national securities exchange are stated at the last reported sale or settlement price on the day of valuation. To the extent these financial derivative instruments are actively traded they are categorized as Level 1.

## FAIR VALUATION OF INVESTMENTS (INCLUDING UNLISTED SECURITIES)

If the valuation methods described above are not appropriate, the Funds will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.

The extent of Funds' use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2), and internal models without observable market information (Level 3) in the valuation of securities is summarized in each Fund's "Financial Instruments Risks" section of the financial statements.

## 10. Income Taxes

Each of the Funds, except MD Growth, qualifies or expects to qualify as a mutual fund trust under the provisions of the Income Tax Act (Canada) and, accordingly, is subject to tax on its income for the year, including net realized capital gains which are not paid or payable to its unitholders as at the end of the year. It is the intention of the Manager that all annual net investment income and sufficient net realizable taxable capital gains will be distributed to unitholders annually by December 31, such that there are no Canadian income taxes payable by the Funds. Accordingly, the Funds do not record Canadian income taxes in their financial statements.

MD Growth is a mutual fund corporation for federal income tax purposes and, accordingly, it is subject to tax at normal corporate rates applicable to mutual fund corporations on foreign dividends received and interest income, net of expenses. MD Growth is subject to a tax on taxable dividends received from taxable Canadian corporations. This tax is recorded as refundable income taxes on the Statements of Financial Position because it is refundable at a rate determined by a formula when taxable dividends are paid. MD Growth is subject to a tax on capital gains; however, this tax is refundable if sufficient capital gains are distributed to shareholders either as capital gains dividends or through the redemption of shares. The provision for income taxes in the Statements of Comprehensive Income is stated after deducting applicable refundable capital gains taxes. Income taxes are calculated using the liability method of tax accounting. Temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. Deferred income tax liabilities or assets are calculated using substantively enacted tax rates expected to apply in the period that the temporary differences are expected to reverse.

## LOSSES CARRIED FORWARD

Capital losses can be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses for income tax purposes may be carried forward up to twenty years and applied against all sources of income. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses have not been reflected in the Statements of Financial Position. As of December 31, 2022, the following Funds have capital and non-capital losses available for carry forward as presented below (in \$000's):

Fund	Year of expiry	Non-Capital Loss \$	Capital Loss \$
MD Bond Fund		-	38,969
MD Growth Investments Limited		-	244,653
MD Short-Term Bond Fund		-	33,088
MD Precision Canadian Moderate Growth Fund		-	-
MD Precision Canadian Balanced Growth Fund		-	-
MD Equity Fund		-	-
MD Dividend Growth Fund		-	26,980
MD International Growth Fund		-	21,224
MD International Value Fund		-	78,922
MD Money Fund		-	-
MD Canadian Equity Fund		-	-
MD American Growth Fund		-	113,756
MD American Value Fund		-	-
MD Strategic Yield Fund		-	17,868
MD Strategic Opportunities Fund		-	-

# Notes to Financial Statements

For 6 months ended June 30, 2023 and 2022

Fund	Year of expiry	Non-Capital Loss \$	Capital Loss \$
MD Precision Conservative Portfolio		-	-
MD Precision Balanced Income Portfolio		-	-
MD Precision Moderate Balanced Portfolio		-	-
MD Precision Moderate Growth Portfolio		-	-
MD Precision Balanced Growth Portfolio		-	-
MD Precision Maximum Growth Portfolio		-	-
MD Fossil Fuel Free Bond Fund		-	2,157
MD Fossil Fuel Free Equity Fund		370	-
MD Precision Conservative Index Portfolio		-	-
MD Precision Moderate Balanced Index Portfolio		-	-
MD Precision Balanced Growth Index Portfolio		-	-
MD Precision Maximum Growth Index Portfolio		-	-
MDPIM Canadian Equity Pool		-	-
MDPIM US Equity Pool		-	-
MDPIM S&P 500 Index Pool		-	190
MDPIM International Equity Index Pool		-	5,603
MDPIM S&P/TSX Capped Composite Index Pool		-	-
MDPIM Emerging Markets Equity Pool		-	206,461

## WITHHOLDING TAXES

The Funds currently incur withholding taxes imposed by certain countries on investment income and in some cases, capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income.

## 11. Soft Dollar Commissions

Soft dollar commissions refers to the portion of total brokerage commissions paid to certain brokers that was available for payment to third party vendors for providing research, statistical or investment decision making services. These services assist the Manager and its sub-advisors with their investment decision making for the Funds. The soft dollar portion of the commissions paid to dealers for executing portfolio transactions is not ascertainable for the first six months of 2023 and 2022.

## 12. Exemption from filing

MD Precision Conservative Index Portfolio, MD Precision Moderate Balanced Index Portfolio, MD Precision Balanced Growth Index Portfolio and MD Precision Maximum Growth Index Portfolio are relying on an exemption in applicable securities regulation and do not file these financial statements with the securities regulators.



**MD Financial  
Management Inc.**