

# CWB Onyx Canadian Equity Fund

## Annual Management Report of Fund Performance

For the period ended December 31, 2023

### Disclosure

This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-855-292-9655, by writing to us at Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6, by visiting our website at [www.cwbwealth.com](http://www.cwbwealth.com), or by visiting SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

CWB Wealth Management Ltd. ("CWB WM") is the manager of the fund, and a wholly owned subsidiary of Canadian Western Bank ("CW Bank").

Security holders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



## Caution Regarding Forward Looking Information

This report, may contain forward-looking statements, including, but not limited to, statements about the Fund, its strategy, risks, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “anticipates”, “believes”, “estimates”, “expects”, “intends”, “plans”, “may”, or future or conditional verbs such as “will”, “should”, “would” and “could”, and similar forward-looking expressions or negative versions thereof. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement.

Forward-looking statements are based on current expectations and projections about future general economic, political and relevant market factors, such as interest rates, foreign exchange rates, equity and capital markets, and the general economic and business environment, in each case assuming no material changes to applicable tax or other laws, government regulations, or policies.

By their very nature, forward-looking statements involve numerous assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Fund’s predictions, forecasts, projections, expectations and conclusions will not prove to be accurate, and that its assumptions may not be correct.

Forward-looking statements are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. A variety of factors, many of which are beyond the Fund’s control, may cause actual results to differ materially from the expectations expressed in the forward-looking statements. These factors include, but are not limited to, general economic, political and relevant market factors in North America and internationally, interest and foreign exchange rates, equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events, including natural disasters, pandemics, war and other risks described in the Fund’s current simplified prospectus. The above-mentioned list of important factors is not exhaustive.

Before making any investment decisions, investors and others relying on forward-looking statements should carefully consider the foregoing factors and the uncertainties and risks they contain. We caution readers not to place undue reliance on these forward-looking statements.

Forward-looking statements are issued in good faith and may be modified without notice. We assume no obligation to update forward-looking statements in the light of new information, future events or other circumstances unless applicable legislation so requires.

# Management Discussion of the Performance of the CWB Canadian Equity Fund

## Investment Objectives and Strategies

The investment objective of the CWB Onyx Canadian Equity Fund (the “Fund”) is to achieve long-term capital appreciation by investing in a diversified portfolio of publicly traded Canadian equity securities.

We target an allocation of 98% in Canadian equity securities, real estate investment trusts and similar investment vehicles. We target an allocation of 2% in Canadian bonds or cash and short-term investments, under normal market conditions. The Fund will not invest in foreign securities.

## Risks

No changes to the Fund affecting the Fund’s overall level of risk were made during the 12-month period ended December 31, 2023 (the “Period”). The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Fund’s most recent simplified prospectus or any amendments or fund facts.

## Results of Operations

Over the Period, the Fund’s net assets increased by \$4,867,286 to \$69,815,935. This reflects an increase of \$8,540,136 from investment performance, distributions to unitholders of \$2,264,692, and net withdrawals of \$1,408,158.

Series A of the Fund returned 11.01% over the Period versus the Fund’s internal benchmark (the “Fund Benchmark”), the S&P/TSX Composite Total Return (TR) Index, which returned 11.75% over the Period. Unlike the Fund Benchmark, the Fund’s return is calculated after the deduction of fees and expenses. Returns for Series O of the Fund may vary, largely due to differences in fees and expenses.

After raising interest rates by 4.00% in 2022, the Bank of Canada (BoC) continued to raise rates by another 0.75% over the period, with the last increase occurring in July 2023. The rapid pace of rate increases had the desired effect on inflation, with the Consumer Price Index in Canada falling from 6.8% in 2022 to 3.9% in 2023. With significant progress on inflation, central banks (including BoC) started to signal in the fourth quarter of 2023 that future rate hikes may not be necessary to bring inflation to the BoC’s target of 2%, and that rate cuts may begin in 2024.

This pivot in rate expectations, from hikes to potential cuts, caused a significant rally in global equity markets as market participants started to increase the odds of a soft economic landing (i.e., no recession). The Canadian equity market was flat at the end of October (as per the S&P/TSX Composite) but rallied over the next two months on the above-mentioned pivot to post total returns in double-digits.

Fund performance relative to its benchmark was impacted positively by relative exposure in the Fund to Stantec, Open Text and Enbridge (not owned), while relative exposure to Shopify, Saputo and Brookfield Infrastructure negatively impacted the Fund's relative returns. The Fund did own Shopify, but at a below benchmark weight.

From a sector perspective, strong stock selection in industrials and an overweight in information technology helped performance, while stock selection in information technology (the aforementioned Shopify underweight) and financials hurt performance. The Fund did not own Fairfax Financial or Manulife, both of which performed well during the period.

## Recent Developments

Macroeconomic data such as inflation and GDP growth will continue to see heightened scrutiny in 2024. Investors believe that interest rates cuts are likely to begin in Q2 2024, and they will be looking for any signs that shift expectations.

## Related Party Transactions

CWB WM is the trustee, manager, portfolio advisor, and principal distributor of the Fund. The Fund pays CWB WM a management fee as compensation for its services. Refer to the section titled 'Management Fees' for a summary of fees paid to CWB WM.

The CWB Onyx Managed Solution funds, comprised of the CWB Onyx Conservative Solution, the CWB Onyx Balanced Solution and the CWB Onyx Growth Solution, invests in Series O units of the Fund. As at December 31, 2023, 1.33% of the Series O units of the Fund are held by the CWB Onyx Conservative Solution, 12.64% of the Series O units of the Fund are held by the CWB Onyx Balanced Solution, and 12.88% of the Series O units of the Fund are held by the CWB Onyx Growth Solution.

CWB WM is party to a participating dealer agreement (the "Dealer Agreement") with Canadian Western Financial Ltd. ("CWF"), a subsidiary of CWB WM. Pursuant to the Dealer Agreement, CWB WM pays CWF a monthly trailing commission equal to 1/12th of 1.00% of the net asset value attributable to units of the Fund held by CWF clients. This trailing commission is paid directly by CWB WM and does not increase the management fee paid to CWB WM by the Fund.

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's performance for the past five years.

### CWB Onyx Canadian Equity Fund's Series A Net Assets per Unit<sup>1</sup>

	2023	2022	2021	2020	2019
Net assets, beginning of year	\$14.25	\$15.52	\$12.94	\$13.17	\$11.33
<b>Increase (decrease) from operations:</b>					
Total dividend and interest revenue	\$0.48	\$0.48	\$0.35	\$0.34	\$0.37
Total expenses	(\$0.30)	(\$0.30)	(\$0.29)	(\$0.24)	(\$0.26)
Realized gains (losses) for the year	\$0.31	\$0.87	\$0.77	(\$0.13)	(\$0.14)
Unrealized gains (losses) for the year	\$1.06	(\$1.61)	\$2.10	(\$0.23)	\$2.09
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$1.55</b>	<b>(\$0.56)</b>	<b>\$2.93</b>	<b>(\$0.26)</b>	<b>\$2.06</b>
<b>Distributions:</b>					
From income (excluding dividends)	\$0.16	\$0.13	\$0.05	\$0.09	\$0.10
From dividends	-	-	-	-	-
From capital gains	\$0.01	\$0.51	\$0.23	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>\$0.17</b>	<b>\$0.64</b>	<b>\$0.28</b>	<b>\$0.09</b>	<b>\$0.10</b>
Net assets as at last date of the period shown	\$15.71	\$14.25	\$15.52	\$12.94	\$13.17

## CWB Onyx Canadian Equity Fund's Series O Net Assets per Unit<sup>1</sup>

	2023	2022	2021	2020	2019
Net assets, beginning of year	\$14.21	\$15.55	\$12.93	\$13.25	\$11.47
<b>Increase (decrease) from operations:</b>					
Total dividend and interest revenue	\$0.50	\$0.46	\$0.45	\$0.43	\$0.42
Total expenses	-	-	-	-	-
Realized gains (losses) for the year	\$0.33	\$0.83	\$0.95	(\$0.16)	(\$0.16)
Unrealized gains (losses) for the year	\$1.07	(\$1.54)	\$1.80	\$0.40	\$1.98
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$1.90</b>	<b>(\$0.25)</b>	<b>\$3.20</b>	<b>\$0.67</b>	<b>\$2.24</b>
<b>Distributions:</b>					
From income (excluding dividends)	\$0.50	\$0.48	\$0.42	\$0.40	\$0.43
From dividends	-	-	-	-	-
From capital gains	\$0.01	\$0.51	\$0.22	-	-
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>3</sup></b>	<b>\$0.51</b>	<b>\$0.99</b>	<b>\$0.64</b>	<b>\$0.40</b>	<b>\$0.43</b>
<b>Net assets as at last date of the period shown</b>	<b>\$15.59</b>	<b>\$14.21</b>	<b>\$15.55</b>	<b>\$12.93</b>	<b>\$13.25</b>

<sup>1</sup> This information is derived from the Fund's audited annual financial statements. All figures presented are prepared in accordance with IFRS Accounting Standards, which requires the Fund to measure the fair value of its investments based on close market prices, where the close market price falls between the bid-ask spread, which is consistent with the method used in measuring the net asset value for transactions with unitholders.

<sup>2</sup> Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period.

<sup>3</sup> Distributions were paid in cash, reinvested in additional units of the Fund or both.

## Ratios and Supplemental Data – Series A

	2023	2022	2021	2020	2019
Total Net asset value (000's) <sup>1</sup>	1,943	\$1,903	\$2,045	\$2,062	\$2,522
Number of units outstanding <sup>1</sup>	123,658	133,544	131,768	159,341	191,508
Management expense ratio <sup>2</sup>	1.87%	1.85%	1.91%	1.94%	1.93%
Management expense ratio before waivers or absorptions	2.06%	2.01%	2.03%	2.10%	2.08%
Trading expense ratio <sup>3</sup>	0.01%	0.02%	0.01%	0.08%	0.08%
Portfolio turnover rate <sup>4</sup>	11.35%	37.05%	25.71%	31.40%	32.89%
Net asset value per unit	\$15.71	\$14.25	\$15.52	\$12.94	\$13.17

## Ratios and Supplemental Data – Series O

	2023	2022	2021	2020	2019
Total Net asset value (000's) <sup>1</sup>	67,873	\$63,046	\$69,853	\$45,834	\$37,059
Number of units outstanding <sup>1</sup>	4,354,106	4,435,758	4,491,367	3,543,472	2,796,706
Management expense ratio <sup>2</sup>	-	-	-	-	-
Management expense ratio before waivers or absorptions	-	-	-	-	-
Trading expense ratio <sup>3</sup>	0.01%	0.02%	0.01%	0.08%	0.08%
Portfolio turnover rate <sup>4</sup>	11.35%	37.05%	25.71%	31.40%	32.89%
Net asset value per unit	\$15.59	\$14.21	\$15.55	\$12.93	\$13.25

<sup>1</sup> This information is provided as at December 31 of the year shown unless otherwise stated.

<sup>2</sup> Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

<sup>4</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

## Management Fees

The management fee for each applicable series is calculated and accrued daily as a percentage of NAV. The annual management fees and a breakdown of the services received in consideration of the management fees, as a percentage of the management fees, for each series are as follows:

Fund	Management Fee (% of NAV)	Distribution Costs (% of Management Fee)	Others* (% of Management Fee)
Canadian Equity Fund – Series A	1.80	42.90	57.10
Canadian Equity Fund – Series O	N/A	N/A	N/A

\* Includes investment advisory fees, administration fees, and other operating fees

The Fund's management fees were used by CWB WM to pay for the cost of managing the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sales of investment portfolio, providing other services, and compensating CWB WM for acting as trustee of the Fund. CWB WM also used the management fee to fund trailing commissions and any other compensation to CWF whose clients invest in the Fund.

The Series O management fee is negotiated and paid directly by each investor and will not exceed the Series A management fee.

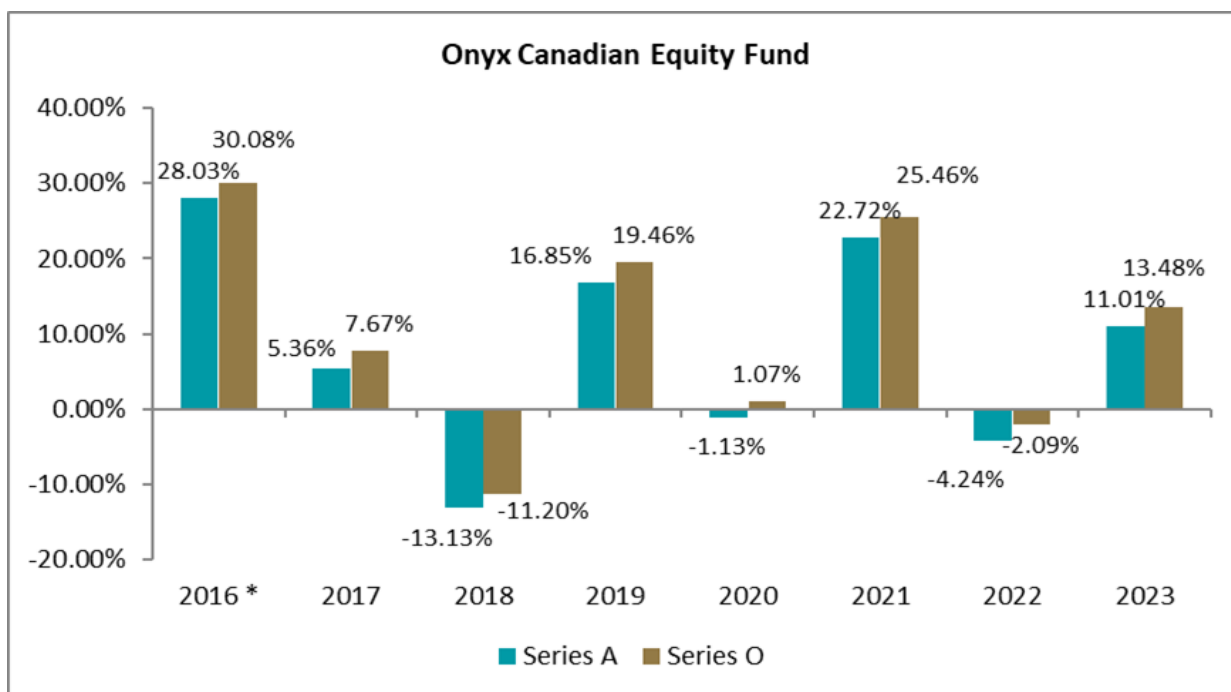
## Past Performance

The past performance of the Fund is set out in the following charts. The performance information shown assumes that all distributions made by the Fund in the years shown were reinvested in additional securities of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, or other optional charges, or income taxes payable that would have reduced returns or performance.

Mutual fund returns are not guaranteed. Please note that past performance is not indicative of future performance.

### Year-by-Year Returns

The following bar chart shows the Fund's annual performance in each of the periods shown and illustrates how the Fund's performance has changed from period to period. The chart below shows, in percentage terms, how an investment made on January 1 would have increased or decreased by December 31, unless otherwise indicated.



\*Return from February 10, 2016 (commencement of operations) to December 31, 2016, not annualized.



## Annual Compound Returns

The following table displays the historical annual compounded TR for each series of units of the Fund for the years shown ending on December 31, 2023, compared with the Fund Benchmark: the S&P/TSX Composite TR Index.

	Series A Units (%)	Series O Units (%)	S&P/TSX Composite TR Index (%)
One Year	11.01	13.48	11.75
Three Year	9.27	11.71	9.59
Five Year	8.55	10.97	11.30
Ten Year	N/A	N/A	N/A
Since Inception*	7.46	9.79	9.87

\*Inception date February 10, 2016

### Index Description:

- S&P/TSX Composite TR Index: This index is a broad-based stock market index of the largest Canadian firms listed on the Toronto Stock Exchange and includes the reinvestment of cash distributions in the calculation of returns.

A discussion of the performance of the Fund relative to its benchmark(s) is found in the Results of Operation section of this report.

## Summary of Investment Portfolio

The following table summarizes how the Fund's assets were distributed across various sectors as at December 31, 2023.

Portfolio Breakdown	% of Net Asset Value
Cash and Short-term Investments	0.6
Other net assets	(0.3)
Financials	31.4
Industrials	15.2
Energy	11.8
Materials	9.2
Information technology	8.5
Consumer discretionary	6.5
Consumer staples	6.0
Utilities	5.9
Communications services	4.1
Real estate	1.1
Total	100.0

## Top 25 Holdings

The following table lists the 25 largest holdings of the Fund (based on percentage of net asset values of the Fund) as at December 31, 2023. The prospectuses and other information about the underlying investment funds are available online at [www.sedarplus.ca](http://www.sedarplus.ca)

Security	%	Security	%
Royal Bank of Canada	6.1	Magna International Inc.	2.9
Bank of Montreal	4.3	Open Text Corp.	2.8
Canadian Pacific Railway Ltd.	4.2	Alimentation Couche-Tard Inc., Class B	2.6
Brookfield Corp.	4.0	Bank of Nova Scotia	2.6
TC Energy Corp.	4.0	CGI Inc.	2.4
Toronto Dominion Bank	3.8	Brookfield Renewable Partner	2.2
Canadian Imperial Bank of Commerce	3.7	TFI International Inc.	2.2
Waste Connections Inc.	3.3	Methanex Corp.	2.1
Sun Life Financial Inc.	3.2	Nutrien Ltd.	2.0
Telus Corp.	3.2	Restaurant Brands International	1.9
Suncor Energy Inc.	3.1	Shopify Inc.	1.9
Air Canada	3.0	Brookfield Infrastructure	1.7
Canadian Natural Resources	3.0		

The investments and percentages may have changed by the time you purchase units of the Fund due to portfolio transactions of the Fund. The top 25 holdings are made available quarterly and may be obtained by contacting CWB WM at 1-855-292-9655 or by writing to: [info@cwwealth.com](mailto:info@cwwealth.com) CWB Wealth Management Ltd., Suite 3000, 10303 Jasper Avenue, Edmonton, AB T5J 3X6.