

# CWB Onyx Canadian Equity Fund

## Interim Management Report of Fund Performance

For the period ended June 30, 2024

### Disclosure

This interim management report of fund performance contains financial highlights but does not contain either the interim financial report or annual financial statements of the investment fund. You can get a copy of the interim financial report or 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).

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



### Caution Regarding Forward Looking Information

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. 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”, “may”, “plans”, “potential”, “proposed”, 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.

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, volatility of equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or illness that affect local, national or international economies, and other risks described in the Fund’s current simplified prospectus. The foregoing list of factors is not exhaustive.

Forward-looking statements are issued in good faith and may be modified without notice. 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. Unless required by securities law, we do not undertake to update any forward-looking statement, whether written or verbal, that may be made from time to time by or on behalf of the Fund. The forward-looking statements contained in this document are presented for the purpose of assisting readers in understanding the Fund’s financial position and results of operations as at and for the periods ended on the dates presented, and may not be appropriate for other purposes.

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

## Results of Operations

In the first six months of 2024 (the “period”), the CWB Onyx Canadian Equity Fund’s (the “Fund”) net assets increased by \$6,315,679 to \$76,131,614. This reflects an increase of \$3,064,888 from investment performance, net contributions of \$4,453,282, and distributions to unitholders of \$1,202,491.

Series A units of the Fund returned 2.95% over the period versus the Fund’s internal benchmark (the “Fund Benchmark”), the S&P/TSX Composite Total Return (TR) Index<sup>1</sup>, which returned 6.05% 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.

Although Canada appears to have avoided a recession, economic growth has been slow. After being above target since March 2021, Canadian inflation fell to within the Bank of Canada’s (“BoC”) target range of 1.0% - 3.0% for each of the first six months of 2024. This combination of significant progress on inflation and slow growth gave the BoC the confidence to follow through on more accommodative monetary policy that was signalled in Q4 2023 by cutting interest rates by 0.25% in June.

Global equity markets moved higher over the period, which was a continuation of a global rally that began in Q4 2023. As in Canada, investors globally have been anticipating moderating inflation and a soft landing (i.e., no recession) as paving the way for interest rate cuts. Although Canadian equities performed well in the first half of the year, Canadian stocks underperformed most other major markets. Technology companies, particularly those levered to the Artificial Intelligence boom, have been leading the market and Canada has fewer such firms relative to other markets.

Top contributors to fund performance relative to its benchmark were Descartes Systems, Suncor, and Agnico Eagle, while top detractors were Magna, Open Text and TC Energy. Fund performance was also helped by a below benchmark weight in Shopify.

From a sector perspective, strong stock selection in utilities and communication services helped relative performance, while a lack of exposure to real estate was also positive. Stock selection in consumer discretionary, financials and information technology hurt performance. The Fund did not own Dollarama or Manulife, both of which performed well during the period.

## Recent Developments

A large proportion of Canadian households are set to experience significantly higher mortgage rates in 2025 and 2026 as 5-year mortgages taken out during the pandemic era of ultra-low interest rates come due. With inflation normalizing, the BoC is expected to continue to cut interest rates through to the end of 2025, which should help

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<sup>1</sup> The S&P/TSX Composite TR Index is a broad based stock market index of the largest Canadian firms listed on the Toronto Stock Exchange, including dividends in the calculation of returns.

support mortgage holders up for renewal. In turn lower rates should be supportive of Canadian economic growth and corporate earnings.

## Related Party Transactions

CWB Wealth Management Ltd. (“CWB WM” or “we”) serves as 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 of June 30, 2024, 1.38% of the Series O units of the Fund are held by the CWB Onyx Conservative Solution, 14.73% of the Series O units of the Fund are held by the CWB Onyx Balanced Solution, and 13.74% 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 1/12<sup>th</sup> 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 and for the period ended June 30, 2024.

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

	June 30, 2024	2023	2022	2021	2020	2019
Net assets, beginning of year	\$15.71	\$14.25	\$15.52	\$12.94	\$13.17	\$11.33
<b>Increase (decrease) from operations:</b>						
Total revenue	\$0.25	\$0.48	\$0.48	\$0.35	\$0.34	\$0.37
Total expenses	(\$0.17)	(\$0.30)	(\$0.30)	(\$0.29)	(\$0.24)	(\$0.26)
Realized gains (losses) for the year	(\$0.02)	\$0.31	\$0.87	\$0.77	(\$0.13)	(\$0.14)
Unrealized gains (losses) for the year	\$0.45	\$1.06	(\$1.61)	\$2.10	(\$0.23)	\$2.09
Total increase (decrease) from operations <sup>2</sup>	\$0.51	\$1.55	(\$0.56)	\$2.93	(\$0.26)	\$2.06
<b>Distributions</b>						
From income (excluding dividends)	\$0.08	\$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>\$0.08</b>	<b>\$0.17</b>	<b>\$0.64</b>	<b>\$0.28</b>	<b>\$0.09</b>	<b>\$0.10</b>
<b>Net assets as at last date of the period shown</b>	<b>\$16.09</b>	<b>\$15.71</b>	<b>\$14.25</b>	<b>\$15.52</b>	<b>\$12.94</b>	<b>\$13.17</b>

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

	June 30, 2024	2023	2022	2021	2020	2019
Net assets, beginning of year	\$15.59	\$14.21	\$15.55	\$12.93	\$13.25	\$11.47
<b>Increase (decrease) from operations:</b>						
Total revenue	\$0.27	\$0.50	\$0.46	\$0.45	\$0.43	\$0.42
Total expenses	-	-	-	-	-	-
Realized gains (losses) for the year	\$(0.02)	\$0.33	\$0.83	\$0.95	(\$0.16)	(\$0.16)
Unrealized gains (losses) for the year	\$0.40	\$1.07	(\$1.54)	\$1.80	\$0.40	\$1.98
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$0.65</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)	\$0.26	\$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>\$0.26</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>\$15.97</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 unaudited interim or audited annual financial statements (as applicable). All figures presented are prepared in accordance with IFRS, which requires the Fund to measure the fair value of its investments based on close market prices, where the close market price falls within 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

	June 30, 2024	2023	2022	2021	2020	2019
Total Net asset value (000's) <sup>1</sup>	\$1,765	\$1,943	\$1,903	\$2,045	\$2,062	\$2,522
Number of units outstanding <sup>1</sup>	109,662	123,658	133,544	131,768	159,341	191,508
Management expense ratio <sup>2</sup>	1.91%	1.87%	1.85%	1.91%	1.94%	1.93%
Management expense ratio before waivers or absorptions	2.08%	2.06%	2.01%	2.03%	2.10%	2.08%
Trading expense ratio <sup>3</sup>	0.02%	0.01%	0.02%	0.01%	0.08%	0.08%
Portfolio turnover rate <sup>4</sup>	6.27%	11.35%	37.05%	25.71%	31.40%	32.89%
Net asset value per unit	\$16.09	\$15.71	\$14.25	\$15.52	\$12.94	\$13.17

### Ratios and Supplemental Data – Series O

	June 30, 2024	2023	2022	2021	2020	2019
Total Net asset value (000's) <sup>1</sup>	\$74,367	\$67,873	\$63,046	\$69,853	\$45,834	\$37,059
Number of units outstanding <sup>1</sup>	4,656,693	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>	0.02%	0.01%	0.02%	0.01%	0.08%	0.08%
Portfolio turnover rate <sup>4</sup>	6.27%	11.35%	37.05%	25.71%	31.40%	32.89%
Net asset value per unit	\$15.97	\$15.59	\$14.21	\$15.55	\$12.93	\$13.25

<sup>1</sup> This information is provided as at June 30 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 Fund pays CWB WM an annual management fee of 1.80% of the net asset value of Series A units of the Fund. The management fee for each applicable series is calculated and accrued daily as a percentage of its NAV. 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 the 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. A further breakdown of the management fee is not available for the interim period.

Series O management fee is negotiated and paid directly by each investor. Series O management fee is not to exceed the Series A management and advisory fee of the Fund.

## Past Performance

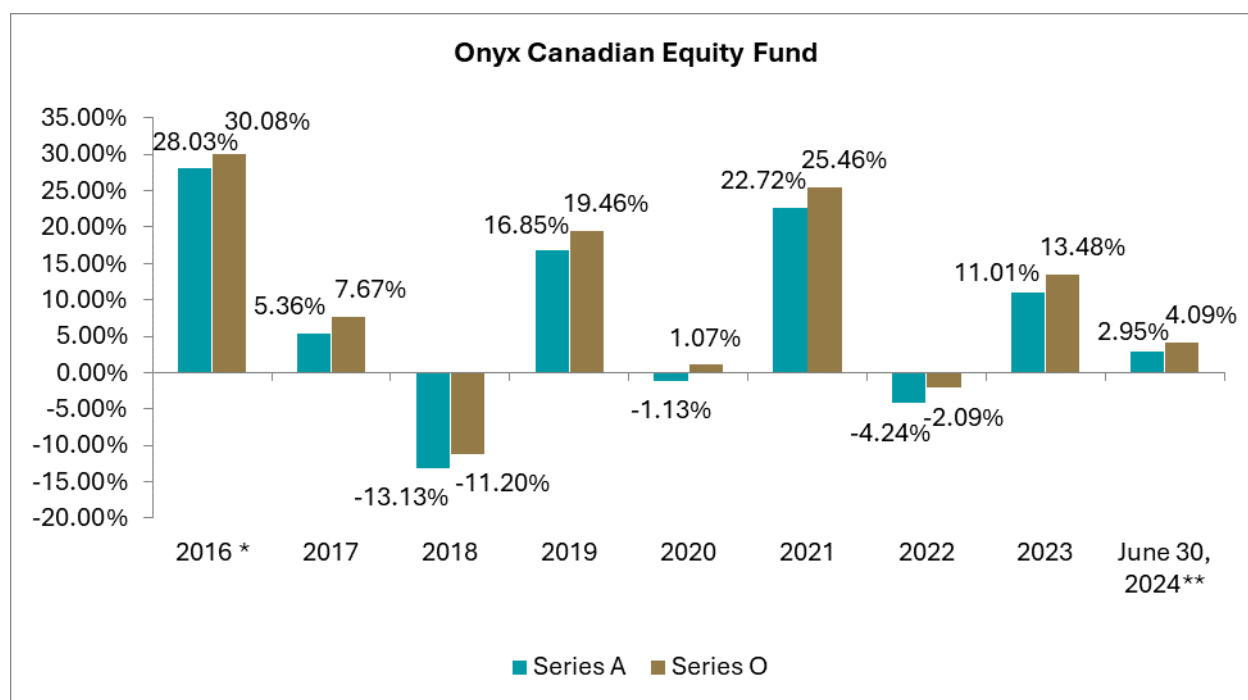
The past performance of the Fund is set out in the following charts. The performance information shown assumes that all distributions made by the Fund in the years shown were reinvested in additional securities of the Fund and would be lower if distributions were not reinvested. The performance information 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.

\*\*Return from January 1, 2024 to June 30, 2024 not annualized.

## Summary of Investment Portfolio

The following table summarizes how the Fund's assets were distributed across various sectors as at June 30, 2024.

Portfolio Breakdown	% of Net Asset Value
Cash and Short-term Investments	1.7
Other net assets	0.3
Financials	30.6
Industrials	17.1
Energy	12.8
Materials	9.3
Information technology	7.8
Consumer discretionary	6.0
Utilities	5.8
Consumer staples	5.8
Communications services	2.8
<b>Total</b>	<b>100.0</b>



## 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 June 30, 2024.

Security	%	Security	%
Royal Bank of Canada	6.5	Nutrien Ltd.	2.5
Canadian Pacific Railway Ltd.	4.8	Alimentation Couche-Tard Inc., Class B	2.4
Brookfield Corp.	3.9	CCL Industries Inc., Class B	2.4
Bank of Montreal	3.8	Brookfield Infrastructure	2.3
Suncor Energy Inc.	3.8	TFI International Inc.	2.3
TC Energy Corp.	3.8	CGI Inc.	2.3
Waste Connections Inc.	3.8	Magna International Inc.	2.2
Toronto Dominion Bank	3.7	Intact Financial Corp.	2.2
Canadian Imperial Bank of Commerce	3.6	Boyd Group Services Inc.	2.1
Canadian Natural Resources	3.5	Canadian Tire Corp., Class A	2.0
Sun Life Financial Inc.	2.9	Constellation Software Inc.	1.9
Telus Corp.	2.8	Open Text Corp.	1.9
Agnico Eagle Mines Ltd.	2.6		

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.