



## Management Report of Fund Performance (amended)

For the year ended  
December 31, 2023

### **TruX Exogenous Risk Pool**

**NOTE:** This MRFP is being amended to revise the MER and TER for Series F and N of the Pool which were incorrectly calculated due to the inclusion of certain expenses in MER that should have been included in TER.

The annual Management Report of Fund Performance contains Financial Highlights but does not contain the complete annual financial statements of the Investment Fund. You may obtain a copy of the annual financial statements at your request, and at no cost, by writing to us at 130 King Street West, Suite 1900, Toronto, Ontario, M5X 1E3, Canada or by calling us collect at 1.844.844.8789 or by visiting our website [www.truxinvestments.com](http://www.truxinvestments.com) or SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may also contact us using one of these methods to request a copy of the investment fund's annual financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio

disclosure.

### **Forward-Looking Statements (“FLS”)**

The annual Management Report of Fund Performance may contain forward-looking statements. FLS means disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action and includes any future-oriented financial information (“FOFI”) with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection. FOFI is FLS about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action.

FLS can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “target,” “project,” “estimate,” “intend,” “continue,” or “believe,” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking information and statements. Material risk factors that could affect actual results are identified under the heading “What are the Risks of Investing in a Mutual Fund?” in the Pool’s Simplified Prospectus. Investors are also cautioned that FLS is based on a number of factors and assumptions, including a fund’s current plans, estimates, opinions and analyses made in light of its experience, current conditions and expectations of future developments, as well as other relevant factors. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2023

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This annual Management Report of Fund Performance represents the portfolio management team's view of the significant factors and developments affecting the investment fund's performance and outlook for the year ended December 31, 2023. Every effort has been made to ensure the information contained in this Management Report of Fund Performance is accurate and complete, however, the investment fund cannot guarantee the accuracy or the completeness of this material. For more information, please refer to the TruX Exogenous Risk Pool's Declaration of Trust. In this report, "Manager" refers to True Exposure Investments, Inc., the Manager of the Pool. The "Pool" refers to the TruX Exogenous Risk Pool. In addition, "net asset value" or "NAV" refers to the value of the Pool as calculated for transaction purposes on which the discussion of Pool performance is based. All dollar figures are reported in Canadian dollars.

### Investment Objective and Strategies

The Pool seeks to provide relative or absolute capital preservation during sudden societal-level shocks that can negatively impact equities along with generating returns that are competitive with equity markets over the longer-term including periods between shocks. The Pool will use alternative investment strategies including borrowing for investment purposes, short selling and the use of derivatives to seek to manage market volatility. The Pool's aggregate exposure to leverage through these strategies will not exceed two times its Net Asset Value ("NAV"), measured on a daily basis. The Pool is subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102.

### Risk

The risks associated with investing in the Pool remain as discussed in the simplified prospectus. The Pool is suitable for someone who is looking for low to medium risk, a diversified portfolio of alternative investment strategies to hold as part of their balanced portfolio and has a medium-longer-term investment horizon.

For the year ended December 31, 2023, there were no changes affecting the overall level of risk associated with an investment in the Pool; therefore, the overall level of Pool risk and investor risk tolerance remains as stated in the simplified prospectus.

# TRUX EXOGENOUS RISK POOL

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### Results of Operations

The Manager uses a blended benchmark to evaluate the performance of pool. It is important to note that the NAV of the Pool reflects the effect of fees and expenses for professional management, while the benchmark does not have such costs.

The net asset value of the Pool was \$8,693,433 on December 31, 2023 up from \$6,745,908 at December 31, 2022, reflecting the capital raised during the period and the changes in NAV due to valuations of the Pool's investments. The Pool had distributions amounting to \$237,264 for the year ended December 31, 2023.

In 2023 the Pool underperformed the S&P 500 (SPY). The risk mitigation policy of the Pool has an overweight position in defensive Consumer Staples and an underweight or short position in volatile Consumer Discretionary. This causes performance differentials, positive or negative, versus the S&P 500.

Since inception, the Fund's volatility has been less than half that of the S&P. In other words, it has been performing as intended as both diversifier and down-side risk hedge.

### CONSUMER STRATEGY

*In past downturns Consumer Staples performed relatively well due to steady demand, while Consumer Discretionary declined as people reduced optional spending. Over-weighting Staples paired with a zero or short position in Discretionary can offer effective drawdown protection by benefitting from society's fear response.*

**Consumer Staples (XLP)** has performed its intended role during a volatile period by defending capital in an absolute sense but underperformed the broad market in 2023.

**Consumer Discretionary (XLY)** short position was profitable during 2022 during a period of market uncertainty but had a negative contribution in 2023 as it rallied strongly. On June 6, 2023, this short position was closed.

### SPECIALTY ASSETS

*Specialty Assets are effective diversifiers in benign periods. During market shocks they may also provide powerful protection. Each Specialty Asset is imperfect for this role as they can be volatile, unreliable or most effective in environments that are difficult to forecast. TERP has limited positions in three diversified assets.*

**Gold bullion (VALT.U)** benefited from inflationary forces in early 2023, then receded as inflation slowed and interest rates rose, and finished with a strong fourth quarter due to geopolitical unrest.

**1-3 Year Treasury Bonds (SHY)** have been a reliable stabilizer to the Pool during a period rising rates. TERP's exposure to fixed income is currently through short-duration treasuries.

**Volatility Index (VIXY)** is inversely correlated to the S&P and approximately six times as volatile. VIXY is purchased and held when the strategy is in the Growth State. At such time, equity exposure is higher and VIXY provides critical insurance. The VIXY purchase on June 6, 2023, declined as equities surged but should now serve as a more effective hedge against future market volatility.

### TACTICAL EQUITY

*Tactical Equity is the stabilizer to TERP contributing to performance when equities are advancing. This element is required because the Consumer Strategy is protective and concentrated and will not track the broad market closely. Likewise, Specialty Assets are designed to offset downside risk.*

The S&P 500 (SPY) and NASDAQ (QQQ) had an excellent first half and fourth quarter primarily from a small group of large cap growth and technology companies called the 'magnificent seven'. The NASDAQ (QQQ) has a greater concentration to these names.

# TRUX EXOGENOUS RISK POOL

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As prescribed by NI 81-102, the aggregate gross exposure of the Pool, to be calculated as the sum of the following, must not exceed three times the Pool's net asset value: (i) the amount of cash borrowed for investment purposes; (ii) the aggregate market value of physical short sales on equities, fixed income securities or other portfolio assets; and (iii) the aggregate notional value of the Pool's specified derivatives positions excluding any specified derivatives used for hedging purposes.

During the year ended December 31, 2023, the Pool's lowest and highest aggregate gross exposure was 18.8% (2022 - 11.7%) and 37.4% (2022 - 53.2%) of the Fund's NAV respectively. As at December 31, 2023, the Pool's aggregate gross exposure was 35.9% of the Pool's NAV. The primary sources of leverage were short sales and cash borrowing. The low and high end of the range are as a result of our investing activities, and timing of subscriptions and/or redemptions. The Pool's strategy is outlined in the simplified prospectus.

The Manager monitors, on a daily basis, that the Pool's aggregate gross exposure is less than three times the Pool's net asset value.

### Related Party Transactions

#### Management fees:

The Pool pays the Manager a weekly management fee for providing its services to the Pool. Redeemable units of the Pool are charged annual management fees equal to the following percentages of the Series NAV of the said Series of the Pool, calculated and accrued on each Valuation Date and payable weekly (except at month-end):

Series F	0.70%
Series N	0.30%
Series UN	0.30%
Series P	0.55%

Management fees are subject to applicable taxes, including QST, GST or HST. For the year ended December 31, 2023, management fees paid by the Pool totalled \$28,172.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

Financial Highlights – December 31, 2023

### Financial Highlights

The following tables show selected key financial information about the Series F, Series N and Series UN units of the Pool, respectively, and are intended to help you understand the Pool's financial performance for the year ended December 31, 2023.

#### The Pool's Net Assets Attributable to Holders of Redeemable Units per Unit

	December 31, 2023		
	Series F	Series N	Series UN
<b>Net assets, beginning of year</b> <sup>(1)(2)</sup>	<b>\$10.16</b>	<b>\$10.24</b>	<b>\$10.24</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	0.26	0.25	0.24
Total expenses	(0.34)	(0.26)	(0.26)
Realized gain (loss) for the year	(0.13)	(0.21)	(0.21)
Unrealized gain (loss) for the year	0.54	0.56	0.60
<b>Total increase (decrease) in net assets attributable to holders of redeemable units</b> <sup>(2)</sup>	<b>0.33</b>	<b>0.34</b>	<b>0.37</b>
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.31)	(0.30)	(0.30)
<b>Total annual distributions</b> <sup>(3)</sup>	<b>(0.31)</b>	<b>(0.30)</b>	<b>(0.30)</b>
<b>Net assets, end of year</b> <sup>(4)</sup>	<b>10.13</b>	<b>10.26</b>	<b>10.26</b>

#### Ratios and Supplemental Data

Total Net Asset Value <sup>(4)</sup>	\$ 478,558	\$ 7,088,657	\$ 1,126,218
Number of units outstanding <sup>(4)</sup>	47,234	690,709	109,740
Management expense ratio <sup>(5)</sup>	1.08%	0.64%	0.64%
Trading expense ratio <sup>(6)</sup>	1.97%	1.97%	1.97%
Trading expense ratio without interest <sup>(6)</sup>	0.05%	0.05%	0.05%
Portfolio turnover rate <sup>(7)</sup>	55.63%	55.63%	55.63%
<b>Net Asset Value per Unit</b>	<b>\$10.13</b>	<b>\$10.26</b>	<b>\$10.26</b>

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

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	December 31, 2022		
	Series F	Series N	Series UN
<b>Net assets, beginning of period</b> <sup>(1)(2)</sup>	<b>\$10.00</b>	<b>\$10.00</b>	<b>\$10.00</b>
<b>Increase (decrease) in net assets attributable to holders of redeemable units:</b>			
Total revenue	0.34	0.15	0.13
Total expenses	(0.16)	(0.08)	(0.07)
Realized gain (loss) for the period	(0.05)	(0.18)	(0.11)
Unrealized gain (loss) for the period	0.11	0.86	0.61
<b>Total increase (decrease) in net assets attributable to holders of redeemable units</b> <sup>(2)</sup>	<b>0.24</b>	<b>0.75</b>	<b>0.56</b>
<b>Distributions:</b>			
From income (excluding dividends)	-	-	-
From dividends	-	-	-
From capital gains	-	-	-
Return of capital	(0.32)	(0.19)	(0.18)
<b>Total annual distributions</b> <sup>(3)</sup>	<b>(0.32)</b>	<b>(0.19)</b>	<b>(0.18)</b>
<b>Net assets, end of period</b> <sup>(4)</sup>	<b>10.16</b>	<b>10.24</b>	<b>10.24</b>

### Ratios and Supplemental Data

Total Net Asset Value <sup>(4)</sup>	\$ 157,107	\$ 5,560,325	\$ 1,028,476
Number of units outstanding <sup>(4)</sup>	15,462	542,778	100,396
Management expense ratio <sup>(5)</sup>	1.07%	0.64%	0.64%
Trading expense ratio <sup>(6)</sup>	0.07%	0.07%	0.07%
Portfolio turnover rate <sup>(7)</sup>	100.85%	100.85%	100.85%
<b>Net Asset Value per Unit</b>	<b>\$10.16</b>	<b>\$10.24</b>	<b>\$10.24</b>

#### Notes:

- (1) This information is derived from the Pool's audited annual financial statements for December 31, 2023 and 2022. It is not a reconciliation of beginning and ending net assets per unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/(decrease) from operations is based on the weighted average number of units outstanding over the financial year.
- (3) Distributions were paid in cash or automatically reinvested in additional units of the Pool, or both.
- (4) This information is provided as at December 31, 2023 and 2022.
- (5) Management expense ratio is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of daily average NAV during the year. During the year ended December 31, 2023, the Manager absorbed \$223,038 in expenses that would have otherwise been charged to the Pool; the MER of each series had these expenses not been absorbed by the Manager would have been as follows:  
Prospectus Series: F – 3.87%, N – 3.44%, UN – 3.46%  
The Manager will continue this practice until such time as the Pool is of a size to absorb such expenses while maintaining its MER at a competitive level.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs, including any applicable taxes expressed as an annualized percentage of daily average NAV during the year. Included in the trading expense ratio are the forward fees, margin interest and interest on short sales.
- (7) The Pool's portfolio turnover rate indicates how actively the Pool's advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Pool 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 the 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.

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## MANAGEMENT REPORT OF FUND PERFORMANCE

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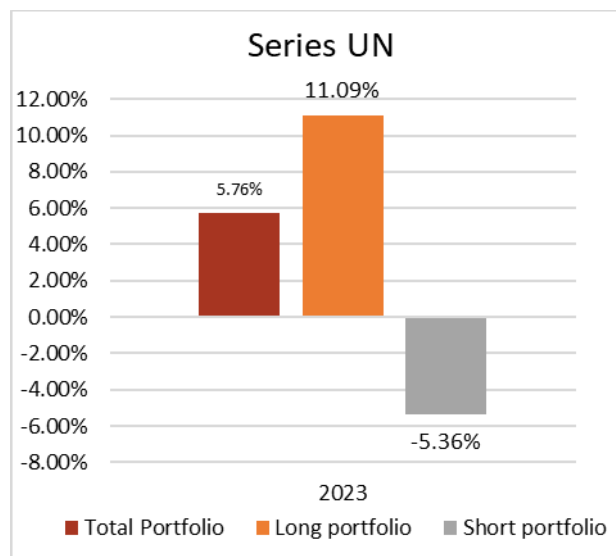
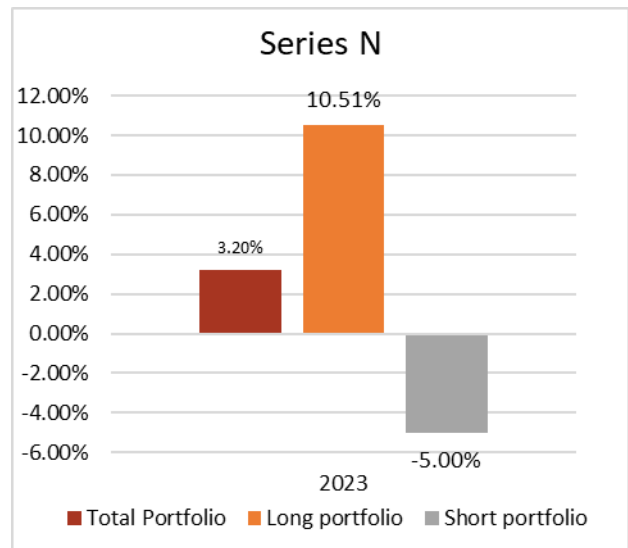
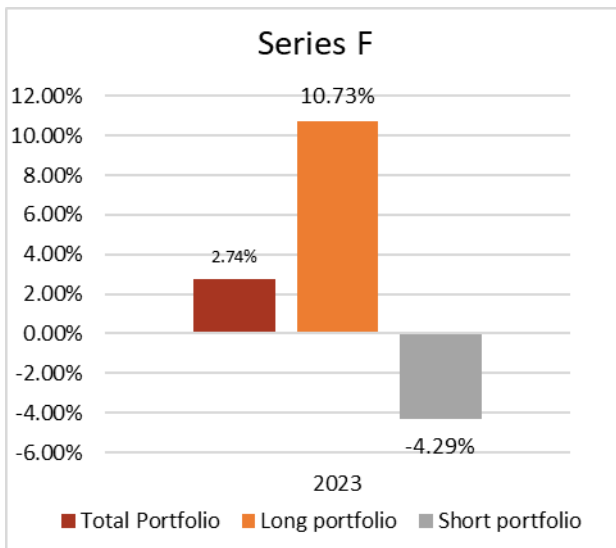
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### Past Performance

#### Year-by-year returns:

The following bar charts show the Fund's annual performance for each of the series shown, as applicable, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment in Series F, Series N and Series UN units, respectively, made on the first day of each financial year would have grown or decreased by the last day of the financial year. As required under applicable securities regulation, the return of the Fund's long and short portfolio positions are shown for each series in addition to the overall total return for each such series.

The annual returns for the year ended December 31, 2023, are as follows:





# TRUX EXOGENOUS RISK POOL

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### Annual compound returns:

The annual returns for the year ended December 31, 2023, are as follows:

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		1 year	Since inception
Series F	Total Portfolio	2.74%	3.80%
	Long portfolio	10.73%	12.57%
	Short portfolio	-4.29%	-3.88%
Series N	Total Portfolio	3.20%	4.78%
	Long portfolio	10.51%	16.95%
	Short portfolio	-5.00%	-5.27%
Series UN	Total Portfolio	5.76%	4.55%
	Long portfolio	11.09%	16.13%
	Short portfolio	-5.36%	-5.24%
S&P 500		23.75%	4.42%

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The S&P 500 is a broad-based equity index of large-cap US stocks. A discussion of the results of the Pool's operations compared to the S&P 500 is included above in the "results of operations" section.

# TRUX EXOGENOUS RISK POOL

## MANAGEMENT REPORT OF FUND PERFORMANCE

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### Summary of Investment Portfolio as at December 31, 2023

The following table shows selected key financial information about the Pool and is intended to assist in the understanding of the Pool's financial performance for the year ended December 31, 2023:

<b>By Asset Type</b>	<b>Percentage of Total Net Asset Value</b>
Funds/ETFs (net)	136.33%
Cash	-35.89%
Net derivatives	0.69%
Other Net Assets (Liabilities)	-1.13%

<b>By Country/Region</b>	<b>Percentage of Total Net Asset Value</b>
<b>Long Positions</b>	
Canadian Securities	0.00%
U.S. Securities	100.00%

<b>Long and Short Positions (excluding cash and other)</b>	<b>Industry Classification</b>	<b>Percentage of Total Net Asset Value</b>
Long	Investment Funds	100.00%
Short	Investment Funds	0.00%

# TRUX EXOGENOUS RISK POOL

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Sum of Weight in		Sum of Weight in	
Top 25 Long Positions	TERP	Top 25 Short Positions	TERP
The Procter + Gamble Co	7.50%	Cash	-35.92%
CBOE VIX Futures	6.82%		
Costco Wholesale Corp	6.64%		
PepsiCo Inc	5.47%		
Apple Inc	5.25%		
Microsoft Corp	5.18%		
The Coca Cola Co	5.03%		
Gold Bullion	4.68%		
United States Treasury Bonds	4.48%		
Alphabet Inc	2.91%		
Amazon.com Inc	2.68%		
Walmart Inc.	2.57%		
Mondelez International Inc	2.54%		
Philip Morris International	2.45%		
NVIDIA Corp	2.25%		
Altria Group Inc.	1.80%		
Meta Platforms Inc	1.74%		
Colgate Palmolive Co	1.62%		
Target Corp	1.61%		
Tesla Inc	1.61%		
Broadcom Inc	1.44%		
Monster Beverage Corp	1.16%		
Kimberly Clark Corp	1.01%		
Constellation Brands Inc.	0.96%		
Archer Daniels Midland Co.	0.95%		

The "Top 25 Holdings" of the Pool, as a percentage of Net Asset Value of the Pool, have been presented in accordance with National Instrument 81-106 and assume that the Pool holds directly the positions held by the investment funds owned by the Pool. These funds are, as at December 31st: SPDR S&P500 ETF Trust, Consumer Staples Select Sector SPDR Fund, iShares 1-3 Year Treasury Bond ETF, CI Gold Bullion Fund, Invesco QQQ Trust Series 1 and ProShares VIX Short-Term Futures ETF. The prospectus and other information about the underlying investment funds are available on the internet at [www.sedar.com](http://www.sedar.com) or on the ETF's website. The Investment Portfolio may change due to ongoing portfolio transactions of the Pool. Quarterly updates of the Investment Portfolio are available within 60 days of each quarter end.