

1832 AM U.S. Low Volatility Equity LP

Annual Management Report of Fund Performance

For the year ended December 31, 2023

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 toll-free 1-800-268-9269, by writing to us at 1832 Asset Management L.P., 40 Temperance Street, 16th Floor, Toronto, ON, M5H 0B4 or by visiting our website at www.scotiafunds.com or SEDAR+ at www.sedarplus.com.

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

1832 Asset Management L.P. is the manager (the "Manager") of the fund. In this document, "we", "us", "our" and the "Manager" refer to 1832 Asset Management L.P. and the "Fund" refers to 1832 AM U.S. Low Volatility Equity LP.

The term "net asset value" or "net asset value per unit" in this document refers to the net asset value determined in accordance with Part 14 of National Instrument 81-106 – Investment Fund Continuous Disclosure ("National Instrument 81-106"); while the term "net assets" or "net assets per unit" refers to total equity or net assets attributable to unitholders of the Fund as determined in accordance with IFRS Accounting Standards.

Caution Regarding Forward-Looking Statements

Certain portions of this report, including, but not limited to, "Recent Developments", may contain forward-looking statements about the Fund and the underlying funds, as applicable, including statements with respect to strategies, risks, expected performance events and conditions. 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 "expects", "anticipates", "intends", "plans", "believes", "estimates", "projects" 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 action by the Fund 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 business environment, in each case assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable. Accordingly, current assumptions concerning future economic and other factors may prove to be incorrect at a future date.

Forward-looking statements are not guarantees of future performance and actual results or events could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, such as interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government relations, unexpected judicial or regulatory proceedings and catastrophic events. We stress that the above mentioned list of important factors is not exhaustive. Some of these risks, uncertainties and other factors are described in the Fund's simplified prospectus, under the heading "Risk Factors".

We encourage you to consider these and other factors carefully before making any investment decisions. Forward-looking statements should not be unduly relied upon. Further, you should be aware of the fact that the Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise, prior to the release of the next management report of fund performance, and that the forward-looking statements speak only to the date of this management report of fund performance.

Investment Objective and Strategies

The Fund's investment objective is to generate long-term capital growth. It may invest directly in, or provide exposure to, investments including, but not limited to, exchange-traded funds ("ETFs") reflecting the primary sectors of the S&P 500, as well as cash and cash equivalents.

The portfolio sub-adviser intends to meet the investment objectives of the Fund and provide unitholders with generally less volatility than that of the broader benchmark through the application of a disciplined investment philosophy that seeks out large cap U.S. companies with strong management teams, and that trade at attractive valuations compared to their historic norms.

The Fund can invest up to 100% of its assets in foreign securities.

Risk

The risks associated with investing in the Fund are as described in the simplified prospectus. There were no material changes to the Fund over its last completed financial year that affected the overall level of risk of the Fund.

Results of Operations

For the year ended at December 31, 2023 (the "period"), the Series I units of the Fund generated a total return of 19.4%. Fund

returns are reported net of all management fees and expenses, unlike the returns of the Fund's benchmark, which is based on the performance of an index that does not pay fees or incur expenses.

The Fund's broad-based benchmark, the S&P 500 Index (C\$) returned 23.6% during the same period. In accordance with National Instrument 81-106, we have included a comparison to this broad-based index to help you understand the Fund's performance relative to the general performance of the market.

Global stock markets performed well over the period, with market optimism driven by falling inflation, tight labour markets and resilient consumer spending. Equities rose sharply in the fourth quarter of 2023, particularly U.S. equities. In December, the U.S. Federal Reserve Board signalled that it could begin to reduce interest rates in 2024, which reignited investors' appetite for risk assets.

The Fund underperformed the broad-based benchmark because of its focus on valuation and on quality compounders, which continue to underperform growth stocks.

The Fund's underweight allocation to and stock selection within the Information Technology sector was a top detractor from performance. U.S. equity market performance was largely driven by the gains of a narrow group of mega-capitalization Information Technology stocks. Specifically, the Fund's lack of exposure to Information Technology companies Microsoft Corp., Apple Inc., NVIDIA Corp., Amazon.com Inc., Meta Platforms Inc. and Tesla Inc. detracted from performance. These six companies accounted for approximately 55% of the broad-based benchmark's return for the calendar year.

Overweight exposure to the Consumer Staples and Financials sectors also detracted from performance. Top individual detractors from performance included Dollar General Corp. and The Charles Schwab Corp. Challenging macroeconomic conditions led to slower sales growth for Dollar General and negatively impacted its gross margins. Additionally, some operational missteps were made that will require a re-investment in price, labour and processes to correct. Charles Schwab was negatively impacted by the U.S. regional banking failures in March 2023, cash sorting from banks to money markets and expensive short-term funding.

Stock selection in the Industrials sector was a top contributor to the Fund's performance. An underweight position and stock selection in the Health Care sector and an overweight position and stock selection in the Consumer Discretionary sector, also contributed to performance.

Top individual contributors to performance included Booking Holdings Inc., Micron Technology Inc. and Ferguson PLC. Marketing investments made by Booking Holdings during the pandemic have begun to pay off. Demand remains robust and the company has been buying back stock. Shares of Micron Technology increased as demand for memory is expected to grow while customer inventory normalizes, leading to negative supply growth.

Lastly, Ferguson benefited from share gains across its portfolio, with opportunities to capture large project demand. However, the business continues to moderate as end markets experience pockets of weakness.

During the period, new investments were made in Carrier Global Corp. and Sysco Corp. Both companies seem to have temporary clouds (historical operational and cost structure undermanagement at Carrier and economic and weight loss drug concerns for Sysco), but their competitive positions and scale advantages appear to provide good long-term opportunities for the Fund. In addition, 13 existing holdings were increased (several more than once) because of their improved risk-reward profiles.

The Fund's holding in JPMorgan Chase & Co. was sold based on its relative valuation and proceeds were allocated to other opportunities within the Financials sector. The Fund also exited its position in PACCAR Inc. on valuation and deployed the proceeds into Carrier Global. Eight existing holdings were trimmed (several more than once) based on a combination of relative valuations and fundamentals.

The Fund's net asset value decreased to \$550.0 million at December 31, 2023, from \$675.7 million at December 31, 2022. This change was composed of net redemptions of \$234.4 million and investment performance of \$108.7 million. The investment performance of the Fund includes income and expenses which vary year over year. The Fund's income and expenses changed compared to the previous year mainly as a result of fluctuations in average net assets, portfolio activity and changes in the Fund's income earning investments.

Recent Developments

Risk Rating Change

Effective January 20, 2023, the risk rating of the Fund has been changed from Low to Medium to Medium. This change is in accordance with the Risk Classification Methodology mandated by the Canadian Securities Administrators. There are no changes to the investment objective or strategies of the Fund associated with the new risk rating.

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., a mutual fund dealer, and Scotia Capital Inc. (which includes ScotiaMcLeod and Scotia iTRADE), an investment dealer.

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

The purpose of this section is to provide a brief description of any transaction involving the Fund and a related party.

Fixed Administration Fees and Fund Costs

The Manager pays the operating expenses of the Fund, other than Fund Costs, in exchange for the payment by the Fund of a fixed rate administration fee (the “Fixed Administration Fee”) to the Manager with respect to each series of the Fund. The expenses charged to the Fund in respect of the Fixed Administration Fee are disclosed in the Fund’s financial statements. The Fixed Administration Fee is equal to a specified percentage of the net asset value of a series, calculated and paid in the same manner as the management fees for the Fund. Further details about the Fixed Administration Fee can be found in the Fund’s most recent simplified prospectus.

In addition, each series of the Fund is responsible for its proportionate share of certain operating expenses (“Fund Costs”). Further details about Fund Costs can be found in the Fund’s most recent simplified prospectus.

The Manager, at its sole discretion, may waive or absorb a portion of a series’ expenses. These waivers or absorptions may be terminated at any time without notice.

Other Fees

The Manager, or its affiliates, may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as banking, custody, brokerage, foreign exchange or derivatives transactions. The Manager, or its affiliates, may earn a foreign exchange spread when unitholders switch between series of funds denominated in different currencies.

Independent Review Committee

The Manager has established an independent review committee (the “IRC”) in accordance with National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) with a mandate to review and provide recommendations or approval, as required, on conflict of interest matters referred to it by the Manager on behalf of the Fund. The IRC is responsible for overseeing the Manager’s decisions in situations where the Manager is faced with any present or perceived conflicts of interest, all in accordance with NI 81-107.

The IRC may also approve certain mergers between the Fund and other funds, and any change of the auditor of the Fund. Subject to any corporate and securities law requirements, no securityholder approval will be obtained in such circumstances, but you will be sent a written notice at least 60 days before the effective date of any such transaction or change of auditor. In certain circumstances, securityholder approval may be required to approve certain mergers.

The IRC has four members, Stephen J. Griggs (Chair), Steven Donald, Heather A. T. Hunter and Jennifer L. Witterick, each of whom is independent of the Manager.

The IRC prepares and files a report to the securityholders each fiscal year that describes the IRC and its activities for securityholders as well as contains a complete list of the standing instructions. These standing instructions enable the Manager to act in a particular conflict of interest matter on a continuing basis provided the Manager complies with its policies and procedures

established to address that conflict of interest matter and reports periodically to the IRC on the matter. This report to the securityholders is available on the Manager’s website or, at no cost, by contacting the Manager.

The compensation and other reasonable expenses of the IRC will be paid out of the assets of the Fund as well as out of the assets of the other investment funds for which the IRC may act as the independent review committee. Each member of the IRC receives an annual retainer of \$62,000 (\$77,000 for the Chair), plus expenses for each meeting. The fees and expenses, plus associated legal costs, are allocated among all of the funds managed by the Manager for which the IRC acts as the independent review committee in a manner that is considered by the Manager to be fair and reasonable. The main component of compensation is an annual retainer fee. Expenses of the IRC may include premiums for insurance coverage, travel expenses and reasonable out-of-pocket expenses.

The Manager, in respect of the Fund, received the following standing instructions from the IRC with respect to related party transactions:

- Paying brokerage commissions and spreads to a related party for effecting security transactions on an agency and principal basis on behalf of the Fund;
- Purchases or sales of securities of an issuer from or to another investment fund managed by the Manager;
- Investments in the securities of issuers for which a related underwriter acted as an underwriter during the distribution of such securities and the 60-day period following the completion of such distribution;
- Executing foreign exchange transactions with a related party on behalf of the Fund;
- Purchases of securities of a related party;
- Entering into over-the-counter derivatives on behalf of the Fund with a related party;
- Outsourcing products and services to related parties which can be charged to the Fund;
- Acquisition of prohibited securities as defined by securities regulations;
- Trading in mortgages with a related party;
- Entering into a designated broker agreement with a related party; and
- Entering into a prime broker agreement with a related party.

The Manager is required to advise the IRC of any breach of a condition of the standing instructions. The standing instructions require, among other things, that the investment decision in respect to a related party transaction: (a) is made by the Manager free from any influence by an entity related to the Manager and without taking into account any consideration to any associate or affiliate of the Manager; (b) represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; and (c) is made in compliance with the

Manager's written policies and procedures. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC to monitor compliance.

The Manager, in respect of the Fund, did not rely on IRC standing instructions regarding related party transactions during the period.

Financial Highlights

The following tables show selected key financial information about each series of the Fund and are intended to help you understand the Fund's financial performance for the periods indicated. The information on the following tables is based on prescribed regulations and as a result, is not expected to add across due to the increase (decrease) in net assets from operations being based on average units outstanding during the period and all other numbers being based on actual units outstanding at the relevant point in time. Footnotes for the tables are found at the end of the Financial Highlights section.

The Fund's Net Assets per Unit (\$)⁽¹⁾

For the period ended	Increase (decrease) from operations:						Distributions:					Net Assets, end of period ⁽¹⁾
	Net Assets, beginning of period	Total revenue	Total expenses	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations ⁽²⁾	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions ⁽³⁾	
Series I												
Dec. 31, 2023	19.00	0.54	(0.05)	1.19	1.82	3.50	—	—	—	—	—	22.68
Dec. 31, 2022	20.34	0.28	(0.05)	0.33	(2.15)	(1.59)	—	—	—	—	—	19.00
Dec. 31, 2021	17.28	0.27	(0.06)	1.64	1.26	3.11	—	—	—	—	—	20.34
Dec. 31, 2020	18.81	0.56	(0.09)	(0.53)	(1.45)	(1.51)	—	—	—	—	—	17.28
Dec. 31, 2019	16.22	0.55	(0.10)	0.32	1.85	2.62	—	—	—	—	—	18.81

(1) This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value per unit. An explanation of these differences can be found in note 2 of the Fund's financial statements. The net asset value per unit at the end of the period is disclosed in Ratios and Supplemental Data.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant series at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding over the period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

Ratios and Supplemental Data

As at	Total net asset value (000's) (\$) ⁽¹⁾	Number of units outstanding ⁽¹⁾	Management expense ratio ("MER") (%) ⁽²⁾	MER before waivers or absorptions (%) ⁽²⁾	Trading expense ratio ("TER") (%) ⁽³⁾	Portfolio turnover rate (%) ⁽⁴⁾	Net asset value per unit (\$) ⁽¹⁾
Series I							
Dec. 31, 2023	549,993	24,245,040	0.08	0.08	0.02	19.37	22.68
Dec. 31, 2022	675,709	35,554,498	0.08	0.08	0.03	30.19	19.00
Dec. 31, 2021	890,750	43,785,132	0.08	0.08	0.03	108.61	20.34
Dec. 31, 2020	732,271	42,374,322	0.08	0.08	0.01	21.34	17.28
Dec. 31, 2019	803,981	42,741,717	0.08	0.08	0.01	25.30	18.81

(1) This information is provided as at the period end of the years shown.

(2) The management expense ratio is based on the total expenses (including sales tax, and excluding commissions and other portfolio transaction costs) of each series of the Fund and a proportional share of underlying funds' expenses (mutual funds, ETFs and closed-end funds), where applicable, for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs, short borrowing costs and interest on leverage of the Fund and the underlying funds, where applicable, expressed as an annualized percentage of daily average net asset value of the Fund during the period.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, 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

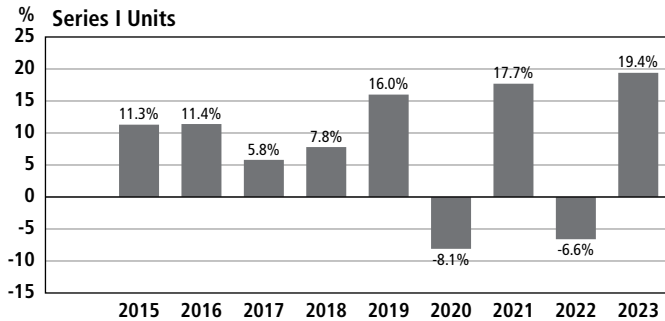
The Manager is not entitled to a management fee payable by the Fund in respect of Series I units. The management fee is negotiable and paid by unitholders directly to the Manager.

Past Performance

The following shows the past performance for each series and will not necessarily indicate how the Fund will perform in the future. The information shown assumes that all distributions made by each series of the Fund in the periods shown were reinvested in additional units of the relevant series. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

Year-By-Year Returns

The following charts show the performance for each series of the Fund and illustrate how performance has varied from year to year. The charts show, in percentage terms, how much an investment held on the first day of each calendar year would have increased or decreased by the last day of each calendar year for that series.



Annual Compound Returns

The annual compound returns table below compares each series of the Fund's performance to one or more benchmarks. A benchmark is usually an index or a composite of more than one index. Fund returns are reported net of all management fees and expenses for all series, unlike the return of benchmarks which are based on the performance of an index that does not pay fees or incur expenses.

		One Year	Three Years	Five Years	Ten Years	Since Inception
Series I	%	19.4	9.5	6.9	–	8.6
S&P 500 Index (C\$)	%	23.6	11.4	15.0	–	14.5

Index Descriptions

S&P 500 Index (C\$) – This index is a capitalization-weighted index designed to measure the performance of the broad U.S. economy through changes in the aggregate market value of 500 stocks representing all major industries.

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

Summary of Investment Portfolio

The Summary of Investment Portfolio may change due to ongoing portfolio transactions. A quarterly portfolio update is available to the investor at no cost by calling 1-800-268-9269, or by visiting www.scotiafunds.com, 60 days after quarter end, except for December 31, which is the calendar year end, when they are available after 90 days.

By Industry	% of net asset value ⁽¹⁾
Financials	20.4
Consumer Discretionary	19.0
Industrials	18.8
Health Care	10.2
Information Technology	9.9
Communication Services	8.2
Consumer Staples	5.2
Materials	4.6
Cash and Cash Equivalents	2.1
Energy	1.8
Other Net Assets (Liabilities)	-0.2

Top 25 Holdings

Issuer	% of net asset value ⁽¹⁾
Ferguson PLC	5.7
Charles Schwab Corporation, The	5.6
Alphabet Inc., Class A	5.4
Micron Technology Inc.	4.9
Berkshire Hathaway Inc., Class B	4.8
Booking Holdings Inc.	4.6
Avery Dennison Corporation	4.6
UnitedHealth Group Incorporated	4.6
Masco Corporation	4.3
Sony Corporation – ADR	3.8
Carlisle Companies Inc.	3.7
Carrier Global Corporation	3.6
Dollar General Corporation	3.1
CarMax Inc.	3.1
Dollar Tree Inc.	3.0
Northern Trust Corporation	3.0
Sysco Corporation	3.0
Omnicom Group Inc.	2.8
Progressive Corporation, The	2.8
SAP AG – ADR	2.6
CDW Corporation	2.4
Koninklijke Philips NV – ADR	2.3
Unilever PLC – ADR	2.2
BlackRock Inc.	2.2
Cash and Cash Equivalents	2.1

(1) Based on the net asset value, therefore, weightings presented in the Schedule of Investments may differ from the ones disclosed above.