

# **ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE**

## **GLOBAL IMAN FUND**

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**December 31, 2024**

This annual management report of fund performance contains financial highlights, but does not contain the complete annual or interim 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 1-866-680-4734, by writing to us at 100 Mural Street, Suite 201, Richmond Hill, Ontario, L4B 1J3 or by visiting our website at [www.globalgrowth.ca](http://www.globalgrowth.ca) or 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 interim financial report, proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Global Iman Fund (the "Fund"), its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

We stress that the above-mentioned list of important factors is not exhaustive. We encourage you to consider these and other factors carefully before making any investment decisions and we urge you to avoid placing undue reliance on forward-looking statements. 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.

**MANAGEMENT DISCUSSION OF FUND PERFORMANCE**

Global Growth Assets Inc. ("GGAI" or the "Fund Manager") has retained the services of UBS Investment Management Canada Inc. to act as the Portfolio Advisor (the "Portfolio Advisor") for the Fund.

The views of the Portfolio Advisor contained in this report are as of December 31, 2024 and this report is not intended to provide legal, accounting, tax or specific investment advice. Views, portfolio holdings and allocations may have changed subsequent to this date.

**Investment Objective and Strategies**

The fundamental investment objective of the Fund is to provide investors with long-term growth by investing primarily in a diversified portfolio of global equities that are in accordance with Islamic investment principles. To achieve its goal, the Fund invests primarily in equity securities of publicly traded companies from around the world.

These companies must pass numerous ethical and financial screening procedures before being eligible for investment by the Fund. The Fund may utilize other types of securities deemed to be in compliance with Islamic investment principles. The Fund's Portfolio Advisor will be actively managing all securities in the portfolio. From among the companies that are eligible for investment by the Fund, the Portfolio Advisor selects securities of global issuers in various industry sectors considered to: (a) represent good value in relation to the market price of the issuer's securities; (b) have experienced and capable senior management; (c) offer potential for future growth; and (d) are otherwise in compliance with Canadian securities laws regulating mutual fund investments.

**Risk**

There were no significant changes to the investment objective and strategies which would affect the Fund's overall level of risk during the reporting period. The risks of investing in the Fund remain as discussed in the most recent simplified prospectus. As this is an equity fund, investors should have the ability to invest for the medium to long term and be able to accept fluctuations in the market value of the securities.

**Results of Operations**

As of December 31, 2024, net assets attributable to holders of redeemable units in the Fund were \$204.09 million, which is an increase of \$46.68 million compared to December 31, 2023. The Fund incurred total expenses of approximately \$5.59 million of which the Fund Manager has absorbed \$0.70 million as disclosed in the Statement of Income and Comprehensive. The management expense ratio ("MER") for Series A during the fiscal year was 2.89% (Series F – 1.66%). The MER for Series A unit holders before waivers or absorptions was 3.25% (Series F – 2.02%). The Fund Manager intends to continue to reimburse the Fund until the Fund grows its net assets to a level which will absorb the expenses but still result in competitive management expense ratios.

From a sector allocation perspective, comparing to December 31, 2023 the Fund's Portfolio Advisor largest sector allocations were in Information Technology, Consumer Discretionary & Health Care, while the smallest sector allocations were in Energy, Consumer staples and Financials.

From a regional perspective, the Fund's Portfolio Advisor biggest country allocation was in the United States.

Top contributors to performance in 2024 were Nvidia, Taiwan Semiconductor Manufacturing, Meta Platforms, Amazon and Alphabet, while the main detractors of performance were Nestle, Adobe, Advanced Micro Devices, UPS and Mondelez.

**Significant changes to the Portfolio are as follows:**

Portfolio changes during 2024 included selling the position in Nike following continued disappointing quarterly results and lowered forward guidance on sales and growth due to economic headwinds, and JD.com Inc. where the Portfolio Advisor had more conviction in the near term to increase the Fund's positions in Nvidia, Alibaba Group Holdings, Mondelez and Thermo Fisher Scientific. The Portfolio Advisor also sold AstraZeneca whose stock was downgraded to a Sell rating by UBS Investment Bank, and used the proceeds to establish a position in Novo Nordisk, a Danish pharmaceutical company specializing in diabetes and obesity.

In Q2, the Portfolio Advisor sold the Fund's position in Starbucks after reporting exceptionally weak quarterly results which showed that headwinds being faced were more pervasive and persistent than expected. Transaction headwinds were mainly driven by reduced occasional customer visits in the afternoon and high prices might have become an issue in a value-focused environment in China, its second largest market and increasing competition from smaller coffee peers. The Portfolio Advisor reduced the Fund's holdings in Meta and Nvidia to take some profits and increased our weight to Apple where the Portfolio Advisor has a more positive outlook on its GenAI-driven iPhone and initiated a position in Adobe, a global technology company that enables its customers to design and deliver exceptional digital experiences. Its products are used by businesses and creative professionals to create content across various technology devices and formats.

In the third quarter, the Portfolio Advisor reduced the Fund's positions in Nvidia and Taiwan Semiconductor Manufacturing and used the proceeds to buy United Health Group, a diversified health care company which holds a key role in shaping a systematic change of the U.S. health care system by offering improved health care access, affordability, experiences and outcomes for individuals and organizations. The Portfolio Advisor also sold Mondelez, as it was no longer a member of the Titans 100 Index as well as Tesla, which was downgraded to Sell rating by UBS Investment Bank and initiated positions in Merck & Co, a diversified biopharmaceutical company and Uber Technologies, a technology platform that uses a massive network and leading technology to power movement from point A to point B.

For the year ended December 31, 2024, the S&P 500 Index posted a return of +36.2% while the S&P/TSX Composite had a return of +21.6%. In line with these equity market returns, the Fund series A and series F posted a positive total return of +33.45% and +34.95% net of management fees, expenses and taxes, respectively over the same period. It however lags the Dow Jones Islamic Market Titans 100 Index return of 38.55%. All returns stated are referenced in Canadian dollars.

## Recent Developments

2024 was characterized by economic resilience, supported by a strong consumer and government spending. Fears of a recession faded as the year wore on, giving way to a soft-landing view of the Global and US economy. Monetary policy shifted slightly as inflation came down and it is now widely expected that the prices will remain under control. Inflation declined to around 3% in the US and 2% in Canada. The Bank of Canada decreased rates aggressively in 2024. Rate cuts will continue in 2025. The Canadian economy has surprised, growing close to 2% in 2024. The yield on the 10-year Government of Canada benchmark bond however increased slightly in 2024, settling in at 3.23%, down from 3.07% at the end of 2023.

The Portfolio Advisor expects global growth will remain steady at 3% into 2025 as recent declines in interest rates and inflation help consumers and business. Interest sensitive areas of the economy such as housing and autos have stabilized. The Portfolio Advisor expects a soft landing in 2025. However, the proposed higher tariffs by the US administration and the announced retaliatory measures, have increased the risk of a recession in the US. This could also dampen global growth. Canada could well be headed for a recession as early as next summer. At this stage, the uncertainty on the level and duration of these tariffs has already had an impact on consumer and business spending intentions. Consumer confidence has declined sharply.

Monetary policy in the US is expected to be accommodative and interest rates will decline gradually depending on the path of the US economy. Inflation will decline but at a much slower pace than 2024. The Bank of Canada has already done a significant amount of easing, but The Portfolio Advisor expects the discount rate to drop further, below the current 2.75%. The Federal Reserve has maintained its current policy setting, but we do expect the Fed Funds rate to decline towards 4% by year-end.

As a result, equity markets have corrected by as much as 10% in the US from recent highs. We still expect equity markets to show positive returns in 2025 although the current uncertainty will act as a headwind. Earnings growth is expected to support risk-taking.

In its base case scenario, the Fund's Portfolio Advisor anticipates the following key financial market drivers going forward:

1. We expect bond markets to exhibit decent risk-adjusted returns over the next 12 months. Expected returns will be in the mid-single-digit range. Shorter dated corporate bonds should outperform. Equity market performance will be challenging the ongoing uncertainty around tariffs. We have maintained our S&P 500 December 2025 target to 6600, some 12% higher than the 2024 closing level. This performance is predicated on continuing strong earnings growth.
2. The US economy will slow gradually as we head into 2025. Growth is expected to average 2.0% in the US and 1.8 % in Canada. The likelihood of a mild recession is still a concern, particularly in Canada, given the announced tariffs. Other Western economies also continue to decelerate, and global growth will slow from 3.1% in 2024 to 3.0% in 2025 or lower, depending on the extent and duration of the trade war.
3. Inflation continues to slow in the United States and Canada, but the pace of deceleration has slowed considerably. We expect inflation to continue trending down but ending 2025 slightly above central bank targets of 2%. The length and severity of proposed tariffs could make inflation stickier, and some forecasters are calling for mild stagflation in 2025.
4. Global Central Banks globally have embarked on a systematic trend to reduce rates. The only exception is the Federal Reserve in the US that will likely stay on hold for some months before enacting rate cuts in the second half of 2025.
5. Geopolitically, the war in Ukraine drags on and tensions continue in the Middle East. A proposed ceasefire in Ukraine is currently being negotiated with Russia. A prolonged and nasty trade war would have a negative implication for risk assets. Large fiscal deficits persist that could lead to higher risk premiums for sovereign

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debt.

As such, the Fund's Portfolio Advisor has shifted to a neutral position on Fixed income but overweight high-quality investment-grade bonds. Equities are overweight, particularly in US large-cap equities. Within Fixed income, the preference remains high-grade sovereign debt and Investment grade credit. The duration risk is mostly in the sovereign debt part of the portfolio while Investment grade corporate bonds have a much shorter duration. The Fund's Portfolio Advisor maintains an equivalent duration than the benchmark. The preference within Equities is geared towards global value and quality income.

Source: CIO UBS House View – March 2025

### **Independent Review Committee**

As of December 31, 2024, the following changes to the composition of the Independent Review Committee ("IRC") occurred:

- Mr. Harry Mohabir has been retained as a Chair of the IRC. Mr. Mohabir's term will mature on July 25, 2028.
- Mr. Bruce D. Monus has been retained as a member of the IRC. Mr. Bruce's term will mature on April 29, 2028.
- Mr. Mark Weaver has been retained as a member of the IRC. Mr. Mark's term will mature on June 12, 2028.

### **Related Party Transactions**

The Fund paid \$4.58 million including HST, (2023 - \$3.43 million) in management fees to the Fund Manager for the year ending December 31, 2024.

Expenses, other than management fees, are expenses incurred for the Fund's operations. During the year, the Fund Manager absorbed \$0.70 (2023 - \$0.63 million) of the Fund's expenses as disclosed in the Statement of Income and Comprehensive Income.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the past five years. The information in the tables below is for the period from January 1 to December 31 of each year.

### The Fund's Net Assets per Unit<sup>1</sup> (\$)

#### Series A

	December 2024	December 2023	December 2022	December 2021	December 2020
Net Assets Beginning of Year:	\$33.73	\$27.48	\$33.17	\$29.49	\$25.02
Increase (Decrease) from Operations:					
Total Revenue	0.39	0.36	0.51	0.40	0.40
Total Expenses	-1.04	-0.80	-0.82	-0.87	-0.76
Realized Gains (losses)	4.89	1.26	0.72	2.17	1.74
Unrealized appreciation (depreciation)	7.15	6.04	-6.15	3.59	4.02
<b>Total Increase (decrease) from operations<sup>2</sup></b>	<b>\$11.39</b>	<b>\$6.86</b>	<b>-\$5.74</b>	<b>\$5.29</b>	<b>\$5.40</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	-3.42	-0.59	0	-1.64	-0.96
Return of capital	—	—	—	—	—
<b>Total Annual Distributions<sup>3</sup></b>	<b>-3.42</b>	<b>-0.59</b>	<b>—</b>	<b>-1.64</b>	<b>-0.96</b>
<b>Net Assets, end of period</b>	<b>\$41.66</b>	<b>\$33.73</b>	<b>\$27.48</b>	<b>\$33.17</b>	<b>\$29.49</b>

#### Series F

	December 2024	December 2023	December 2022	December 2021	December 2020
Net Assets Beginning of Year:	\$39.48	\$31.8	\$37.94	\$33.35	\$27.97
Increase (Decrease) from Operations:					
Total Revenue	0.47	0.44	0.52	0.49	0.49
Total Expenses	-1.26	-0.98	-0.82	-1.06	-0.93
Realized Gains (losses)	5.89	1.54	0.72	2.63	2.13
Unrealized appreciation (depreciation)	8.60	7.38	-6.21	4.38	4.90
<b>Total Increase (decrease) from operations<sup>2</sup></b>	<b>\$13.70</b>	<b>\$8.38</b>	<b>-\$5.79</b>	<b>\$6.44</b>	<b>\$6.59</b>
<b>Distributions:</b>					
From income (excluding dividends)	—	—	—	—	—
From dividends	—	—	—	—	—
From capital gains	-4.04	-0.68	—	-1.88	-1.08
Return of capital	—	—	—	—	—
<b>Total Annual Distributions<sup>3</sup></b>	<b>-4.04</b>	<b>-0.68</b>	<b>0</b>	<b>-1.88</b>	<b>-1.08</b>
<b>Net Assets, end of period</b>	<b>\$49.31</b>	<b>\$39.48</b>	<b>\$31.80</b>	<b>\$37.94</b>	<b>\$33.35</b>

1 This information is derived from the Fund's December 31 audited annual financial statements.

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 period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were either paid in cash or reinvested in additional units of the Fund, or both.

## Ratios and Supplemental Data

### Series A

	December 2024	December 2023	December 2022	December 2021	December 2020
Total net asset value (000's) <sup>1</sup>	\$128,194	\$103,184	\$81,864	\$104,417	\$78,075
Number of units outstanding	3,077,182	3,058,853	2,979,297	3,148,269	2,647,870
Management expense ratio (MER) <sup>2</sup>	2.89%	2.78%	2.79%	2.79%	2.80%
MER before waivers or absorptions	3.25%	3.22%	3.26%	3.14%	3.26%
Trading expense ratio <sup>3</sup>	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover ratio <sup>4</sup>	31.62%	22.38%	20.33%	15.61%	16.77%

### Series F

	December 2024	December 2023	December 2022	December 2021	December 2020
Total net asset value (000's) <sup>1</sup>	\$75,899	\$54,228	\$39,931	\$35,559	\$19,136
Number of units outstanding	1,539,095	1,373,382	1,255,792	937,159	573,794
Management expense ratio (MER) <sup>2</sup>	1.66%	1.64%	1.65%	1.65%	1.66%
MER before waivers or absorptions	2.02%	2.08%	2.12%	2.00%	2.12%
Trading expense ratio <sup>3</sup>	0.01%	0.01%	0.01%	0.01%	0.01%
Portfolio turnover ratio <sup>4</sup>	31.62%	22.38%	20.33%	15.61%	16.77%

1 This information is provided as at December 31 of the year shown.

2 Management expense ratio is based on total expenses 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 transaction costs expressed as an annualized percentage of daily average net asset value during the period.

4 The Fund's portfolio turnover rate gives an indication of the level of activity employed by the Portfolio Adviser. 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 the 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 the Fund.

Management Fees

The Fund Manager is responsible for the day-to-day management and administration of the Fund. The Fund Manager monitors and evaluates the performance of the Fund, pays for the investment management services provided by the Portfolio Advisor, dealer compensations (commission and trailer fees) and Independent Review Committee fees. It arranges for the other administrative services required to be provided to the Fund. As compensation for its services, the Fund Manager is entitled to receive a fee. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before HST, of the daily value of the net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

Expenses Paid out of the Management fee (%)

	Management Fees	Dealer Compensation	General Adminlstration, Investment Advice and Profit
Series A	2.50%	39%	61%
Series F	1.50%	0%	100%



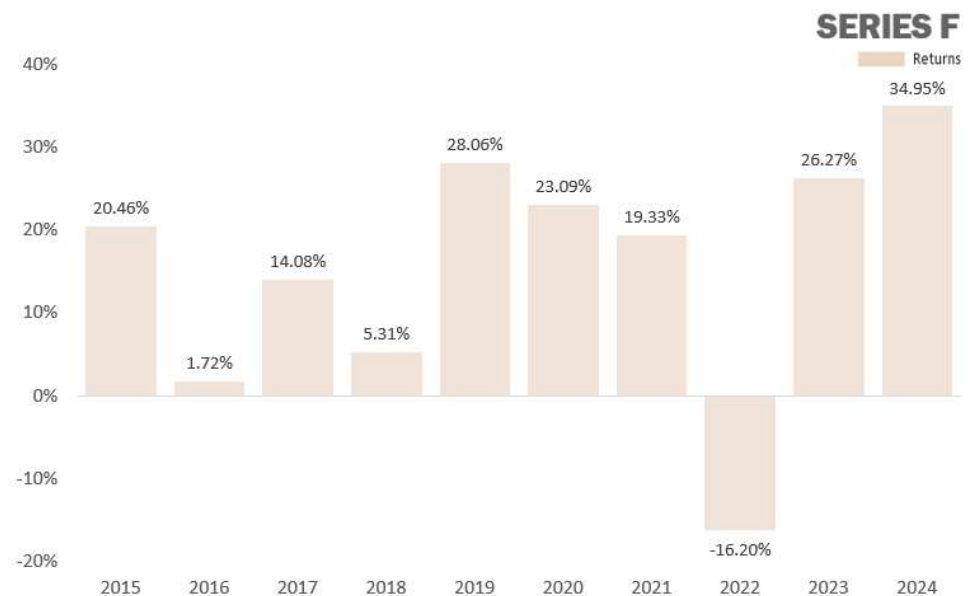
## PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the relevant series. The performance information does not include account sales, redemption, distribution, or optional charges, or income taxes payable that would have reduced returns or performance.

Past performance is not indicative of how the Fund may perform in the future.

### Year-by-Year Returns

The bar chart indicates the Fund's performance for each series of the Fund for each of the financial years shown. Annual return is the percentage change in the value of an investment from January 1 to December 31, unless otherwise noted. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



Annual Compound Returns

The tables that follow compare the historical annual compound returns for each series of the Fund with its benchmark, the Dow Jones Islamic Market Titans 100 Index Total Return (“IMXLT”).

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Series A	13.37%	14.63%	11.31%	33.13%
IMXLT	16.09%	18.37%	13.73%	31.95%

The returns of each series may vary because of differences in management fees and expenses. The Benchmark index returns do not include any costs of investing. See Results of Operation for a discussion of performance relative to the Benchmark indexes. Unlike the Index, the plan’s returns are after the deduction of its fees and expenses.

	Past 10 Years	Past 5 Years	Past 3 Years	Past Year
Series F	14.72%	15.95%	12.57%	34.62%
IMXLT	16.09%	18.37%	13.73%	31.95%

Index Description:

Dow Jones Islamic Market Titans 100 Index Total Return

The IMXLT reflects the price movements of the largest 100 blue chip stocks traded globally that pass rules-based screens for compliance with Islamic investment guidelines overseen by the Dow Jones Shari’ah Supervisory Board. The index returns are quoted in \$CAD terms and assumes reinvestment of gross dividends into the index.



## SUMMARY OF INVESTMENT PORTFOLIO

As of December 31, 2024

### Top 25 Holdings

ISSUER	% OF NET ASSET VALUE
Apple Inc	9.27%
Alphabet Inc-Cl C	8.43%
Microsoft Corp	8.41%
Nvidia Corp	8.36%
Amazon.Com Inc	8.26%
Meta Platforms Inc-Class A	5.70%
Eli Lilly & Co	5.63%
Taiwan Semiconductor-Sp Adr	3.94%
Mastercard Inc - A	3.27%
Advanced Micro Devices	3.14%
Thermo Fisher Scientific Inc	2.87%
Alibaba Group Holding-Sp Adr	2.56%
Uber Technologies Inc	2.40%
Pepsico Inc	2.38%
Procter & Gamble Co/The	2.36%
Nestle Sa-Reg	2.25%
Asml Holding Nv	2.11%
S&P Global Inc	2.10%
Chevron Corp	2.09%
Visa Inc-Class A Shares	2.06%
Novo Nordisk A/S-B	2.02%
Sanofi	1.97%
Adobe Inc	1.96%
United Parcel Service-Cl B	1.94%
Merck & Co. Inc.	1.80%
<b>TOTAL</b>	<b>97.28%</b>

REGION	% OF NET ASSET VALUE
North America	86.50%
Europe	8.30%
Asia	3.90%
Cash	1.30%
<b>TOTAL PORTFOLIO</b>	<b>100.0%</b>

SECTOR	% OF NET ASSET VALUE
Information Technology	37.18%
Health Care	13.02%
Communication Services	14.13%
Consumer Discretionary	10.83%
Financials	7.43%
Consumer Staples	6.99%
Industrials	7.20%
Energy	2.09%
Cash	1.13%
<b>TOTAL PORTFOLIO</b>	<b>100.0%</b>

\*All holdings in the Fund are long positions as at December 31, 2024

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.globalgrowth.ca](http://www.globalgrowth.ca)



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