FGP CARBON-OPTIMIZED CANADIAN EQUITY SOLUTION

FOYSTON, GORDON & PAYNE INC.
INVESTMENT COUNSEL

About FGP

Year founded: 1980

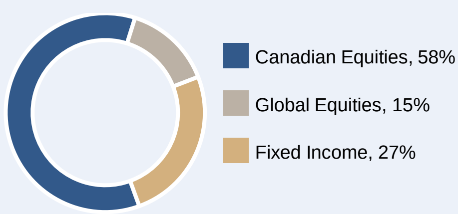
Location: Toronto

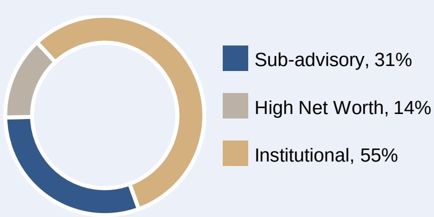
Ownership Structure: Employee owned and an affiliate of Affiliated Managers Group, Inc. (AMG)

Lines of business: Sub-Advisory, High Net Worth, Institutional

SMA platform partnerships: 15

Assets under management: ~$7 billion





Strategies

Canadian Equities
All Cap
Small Cap
Dividend
Ex-Energy

Global Equities
U.S.
International
Global
Global Small Cap

Fixed Income
Universe
Core Plus
Corporate
Short Term
Long Term

Balanced
Canadian
Global
Yield and Income

Specialty
Mortgages
Preferred Shares

Why Optimize Carbon Emissions?

Canada continues to provide investors with a diversified pool of investment options within the Energy, Materials, and Industrials sectors. We believe these high-emission sectors should continue to be part of well-diversified investment portfolios and can be optimized to limit emissions.

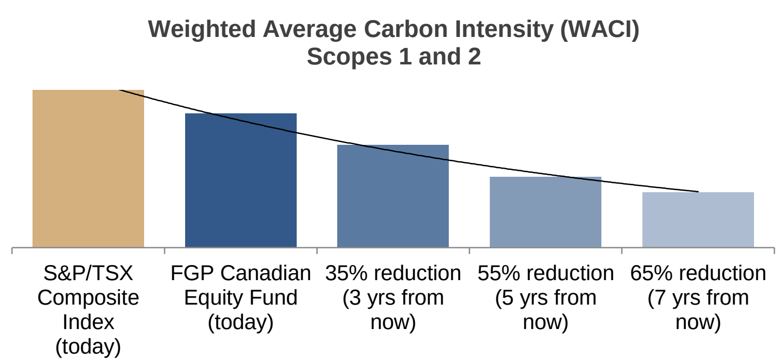
How Does FGP Optimize Emissions?

Leveraging our robust in-house responsible investment approach where we assess companies across various factors, we optimize Scope 1 and 2 emissions in our Canadian equity strategy to meet our clients' unique targets. You tell us the amount by which you wish to reduce your portfolio's carbon. We create a plan to transition towards that goal over several years by factoring carbon intensity into investment decisions.

FGP's Steps to Optimize Emissions

- Discuss carbon emission reduction targets with client
- Create gradual carbon reduction glidepath based on these targets
- Consider **all** sectors to create customized diversified portfolio
- Maintain FGP's investment philosophy (Quality/Value) with carbon emissions overlay
- Calculate, monitor, and report WACI, a job undertaken by FGP's Risk Management & Performance Analytics (RMPA) team
- Continue with carbon reduction engagement with portfolio companies

Sample Transition



Helping Reduce Your Carbon Footprint

Pooled Fund	Benchmark	WACI Relative to Benchmark
FGP Global Equity	MSCI World Index Ex-Canada Index	**78% lower**
FGP Global Smaller Companies	MSCI ACWI Small Cap Index	**64% lower**
FGP International Equity	MSCI EAFE Index	**74% lower**
FGP Canadian Ex-Energy Equity	S&P/TSX Composite Index	**81% lower**
FGP Canadian Equity	S&P/TSX Composite Index	**33% lower**

Note: Each Fund's WACI is based on portfolio holdings as at September 30, 2024. We measure each holding's carbon intensity as metric tons of CO2 (Scope 1 + Scope 2) for each USD million of revenue.

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Current Customized Solution for a Canadian Endowment

Starting point: FGP Canadian Equity Fund

Carbon objectives

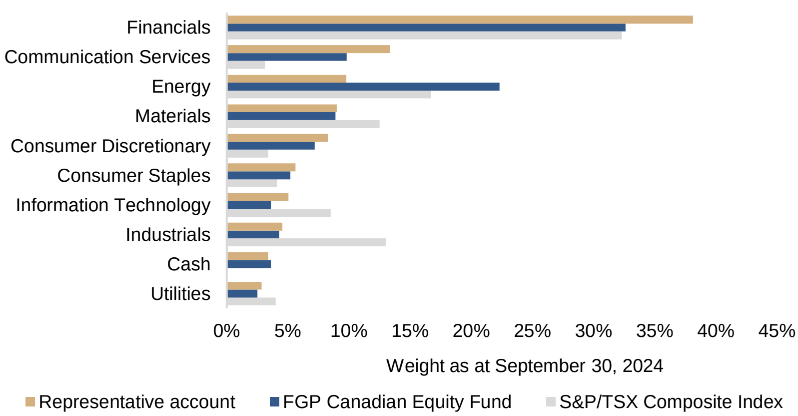
- Immediately reduce WACI by 50% of the benchmark's WACI, compared with 14% before implementation
- Reduce WACI by 65% within two years
- Reduce WACI by 75% within seven years

Portfolio construction

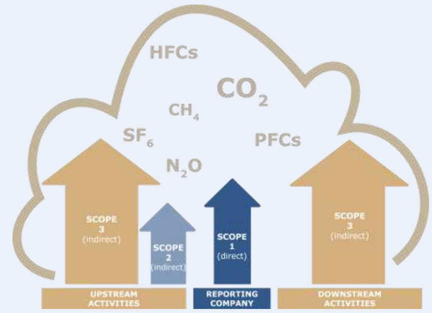
- Optimize exposures (weights) of all companies for carbon emissions:
  - Reduce exposure of some of the highest emitters
  - Reduce weight of companies that do not report Scopes 1 and 2

Sector allocation

- Stay invested in companies with strong quality/value characteristics, even those in high-carbon sectors like Energy and Materials



Scopes 1, 2 and 3 Explained



There are three types of carbon emissions: Scope 1, Scope 2, and Scope 3. Simply put, Scope 1 carbon emissions are direct emissions and are completely controllable by the company causing these emissions. Scope 2 represents indirect emissions such as electricity consumption and is more difficult to control. Scope 3 is characterized by indirect emissions that are not owned by the company, including all indirect emissions in the value chain that are linked to the company's activity such as the emissions from consumers' product use. Most companies report Scopes 1 and 2 emissions. Very few companies report Scope 3, but more and more are doing so every year.

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All figures as at September 30, 2024 unless otherwise stated.

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