

Strategy Objective

We are focused on owning great companies that can grow our clients' capital at an above average rate of return for the long term. We exercise patience in waiting for the right opportunities to invest in businesses. Capital preservation is at the forefront in making our investment decisions and we pride ourselves on having consistently low volatility over the long term.

Philosophy

We believe that superior investment returns are achieved by taking a long-term, bottom-up, value-oriented approach to investing based on detailed fundamental research and analysis. Our proven philosophy revolves around two long-standing core concepts:

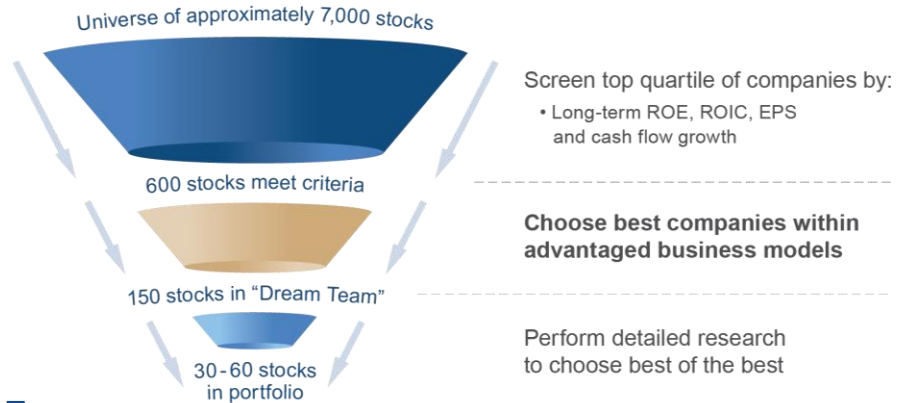
Understanding Quality

- Focus on **key business drivers** (competitive advantage, pricing, cost structure, growth etc.) and the **predictability** of those drivers
- Determine realistic **growth potential** of the business longer term
- Assess **business performance** in last downturn and subsequent changes to have realistic expectations
- Analyze **true free cash flow** conversion
- Assess **capital allocation** history and **balance sheet** strength
- Review track record on **governance** and shareholder alignment

Disciplined on Valuation

- Search for business that can **grow faster** than the market and are trading at a **lower valuation** than the market
 - All companies are assessed on a 10-year discounted cash flow basis using an 8% discount rate and a zero terminal growth to determine the intrinsic value
 - Our intrinsic value assessments are then checked against each company's historical valuation as well as the broader market as an additional check

Narrowing the Investment Universe



Portfolio Management Team

Team Member	Roles and Responsibilities	Year Joined FGP	Year Joined Industry
Andrew Aucoin, CFA	Analyst and Portfolio Manager, Global, Global Smaller Companies and International Equities; Co-Portfolio Manager, U.S. Equities	2005	2005
Stephen Mitchell, CFA	Analyst and Portfolio Manager	2016	1988
Mohammed Ahmad, CFA, MBA	Analyst and Co-Portfolio Manager, U.S. Equities	1999	1999
Maryam Badakhshi, CFA, MBA	Research – Global Equities - Generalist	2023	2012
Robert Nini	Junior Analyst	2024	2022
Nerojan Varnakumar, CFA	Trader	2021	2014

Graph 1 shows that returns were achieved with consistently low volatility (standard deviation). Graph 2 shows the annualized performance returns for the past 10 years relative to the benchmark and the strategy peer group. The downside market capture measured on five-year rolling periods in Graph 3 shows that downside protection has remained consistently under 90%, highlighting the defensive nature of the strategy. The portfolio is concentrated, and the active share is typically around 90%.

Graph 1



Universe: eVestment EAFE All Cap Equity
Source: eVestment

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Inception Date January 31, 1994	Benchmark MSCI EAFE Index (Net)	Currency CAD	Active Share 91%
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PERFORMANCE (%)

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Investment Return	15.2	12.8	18.5	10.1	14.3	11.7	13.9	12.5	11.8
Benchmark Return	12.5	10.2	15.8	8.9	12.1	9.5	11.2	10.1	9.4
Excess Return	2.7	2.6	2.7	1.2	2.2	2.2	2.7	2.4	2.4
Volatility	18.5	17.2	19.1	16.8	18.3	17.5	18.9	18.1	17.6
Sharpe Ratio	0.82	0.75	0.91	0.61	0.78	0.66	0.73	0.69	0.67
Maximum Drawdown	-12.5	-15.8	-18.2	-22.1	-19.5	-17.3	-16.1	-15.4	-14.9
Correlation	0.95	0.93	0.94	0.92	0.91	0.90	0.89	0.88	0.87
Tracking Error	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Information Ratio	0.18	0.16	0.19	0.14	0.15	0.13	0.14	0.13	0.13
Alpha	0.15	0.14	0.16	0.12	0.13	0.12	0.13	0.12	0.12
Beta	0.98	0.97	0.98	0.96	0.95	0.94	0.93	0.92	0.91
Standard Deviation	18.5	17.2	19.1	16.8	18.3	17.5	18.9	18.1	17.6
Skewness	-0.15	-0.12	-0.18	-0.10	-0.14	-0.11	-0.13	-0.12	-0.11
Kurtosis	3.2	3.1	3.3	3.0	3.1	3.0	3.1	3.0	2.9
Sortino Ratio	0.75	0.68	0.82	0.52	0.69	0.57	0.64	0.60	0.58
Downside Deviation	12.5	11.8	13.2	11.5	12.8	12.1	13.1	12.5	12.2
Upturn Ratio	1.2	1.1	1.3	1.0	1.1	1.0	1.1	1.0	1.0
Value at Risk	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Expected Return	10.5	9.8	11.2	8.5	10.1	8.9	10.3	9.6	9.1
Standard Error	0.5	0.4	0.6	0.3	0.4	0.5	0.4	0.5	0.4
Adjusted R-Squared	0.92	0.91	0.93	0.90	0.89	0.88	0.87	0.86	0.85
F-Statistic	15.2	12.8	18.5	10.1	14.3	11.7	13.9	12.5	11.8
P-Value	0.001	0.002	0.000	0.003	0.001	0.002	0.001	0.002	0.001
Adjusted P-Value	0.001	0.002	0.000	0.003	0.001	0.002	0.001	0.002	0.001
Chi-Square	15.2	12.8	18.5	10.1	14.3	11.7	13.9	12.5	11.8
Probability	0.001	0.002	0.000	0.003	0.001	0.002	0.001	0.002	0.001
Significance	0.001	0.002	0.000	0.003	0.001	0.002	0.001	0.002	0.001
Confidence	0.999	0.998	1.000	0.997	0.999	0.998	0.999	0.998	0.999
Level	0.999	0.998	1.000	0.997	0.999	0.998	0.999	0.998	0.999
Interval	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Estimate	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Standard	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Deviation	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Confidence	0.999	0.998	1.000	0.997	0.999	0.998	0.999	0.998	0.999
Interval	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Estimate	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Standard	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5
Deviation	1.5	1.6	1.4	1.7	1.5	1.6	1.5	1.6	1.5

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