

## Investing in the FGP Core Plus+ Bond Strategy

Expertise in credit analysis is a core competency of our Fixed Income team. The FGP Core Plus+ Bond Strategy leverages this competitive advantage to create an investment solution that improves the risk and return metrics of a universe bond solution. This is accomplished by investing in a core of federal, provincial, municipal, and investment grade corporate bonds while utilizing greater flexibility in allocations to each segment. Additionally, this solution further improves the risk and return profile by opportunistically adding “Plus” components such as high yield bonds, hybrids (bonds and preferred shares), convertibles, and foreign bonds.

### 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:

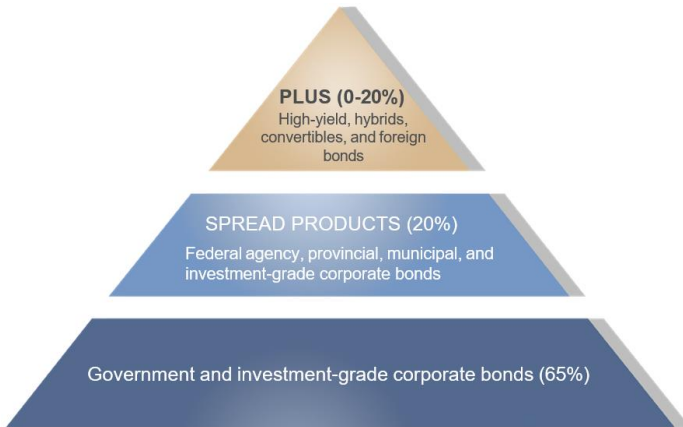
#### Understanding Quality

- We use a rigorous credit process to differentiate the level of risk between companies and each security they issue
- We seek to understand each business so that we can appreciate how a company’s financial management and organizational structure complement or detract from the base business risk
- The credit process culminates in the FGP Investment Grade Rating (IGR), an internal risk rating of a company and the securities it issues

#### Disciplined on Valuation

- We employ a proprietary risk-based valuation tool to select fixed income investments
- Each security has an internal rating based on our internal credit research
- Using the internal rating, we then use the proprietary FGP Internal Spread Matrix to determine if the market valuation is attractive
- This unique method of determining value enhances both the buy and sell decision

### Investment Structure



Guidelines	
Cash range	0% -10%
Government / Government-guaranteed bonds	Minimum: 20%
Corporate bonds	Maximum: 80%
<b>Plus. component:</b> High-yield bonds, hybrids (bonds and preferreds), convertibles, and foreign bonds	Maximum: 20%
Minimum bond credit quality	B (low)
Minimum bond portfolio credit quality	A
Duration	± 2 years vs. BM
Maximum direct holdings	50

\*This strategy can include investments in any FGP fixed income strategies as well as individual investment-grade securities.

### Portfolio Management Team

Team Member	Roles and Responsibilities	Year Joined FGP	Year Joined Industry
Ryan Domsy, CFA, MEcon, FRM	Lead Portfolio Manager & Head of Fixed Income	2010	2010
Robert Head, BA	Portfolio Manager & Chair of the Investment Committee	1998	1990
Cam Greenwood, CFA	Portfolio Manager & Senior Analyst	2007	2007
Andy Thi, CFA	Senior Credit Analyst	2016	2012
Jesse Cotton, CFA, MBA	Trader/Junior Credit Analyst	2015	2015
Siqi Chu, IBBA	Credit Analyst	2023	2019

Inception Date<sup>1</sup>  
December 31, 2015

Benchmark  
FTSE Canada Universe Bond Index

Currency  
CAD

**PERFORMANCE (%)**

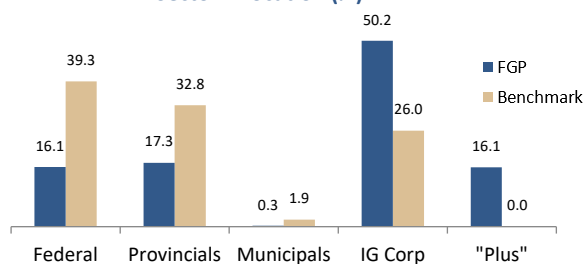
**As at September 30, 2023**

Annualized Returns	3M	YTD	1 year	3 years	5 years	7 years	10 years	Inception
FGP Core Plus Bond Fund	-2.9	-0.1	-0.6	-1.4	1.6	1.9	-	2.5
FTSE Canada Universe Bond Index	-3.9	-1.5	-1.4	-5.1	0.1	-0.2	-	0.5
<b>Value Added</b>	<b>1.0</b>	<b>1.4</b>	<b>0.8</b>	<b>3.7</b>	<b>1.5</b>	<b>2.1</b>	<b>-</b>	<b>2.0</b>

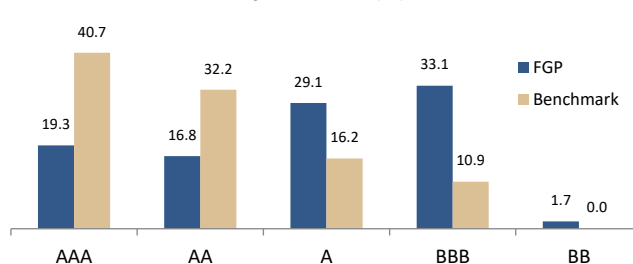
  

Calendar Year Returns	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
FGP Core Plus Bond Fund	-11.1	4.5	10.1	6.2	0.7	5.3	5.3	-	-	-
FTSE Canada Universe Bond Index	-11.7	-2.5	8.7	6.9	1.4	2.5	1.7	-	-	-
<b>Value Added</b>	<b>0.6</b>	<b>7.0</b>	<b>1.4</b>	<b>-0.7</b>	<b>-0.7</b>	<b>2.8</b>	<b>3.6</b>	<b>-</b>	<b>-</b>	<b>-</b>

Sector Allocation (%)



Quality Allocation (%)



Valuation Characteristics	FGP	Benchmark
Yield to Maturity (%)	6.5	5.0
Average Maturity (years)	9.8	9.6
Modified Duration (years)	6.8	6.9
Convexity (%)	1.0	1.0
Weighted Avg Coupon (%)	4.3	3.1

Risk Characteristics	3 years	5 years
Portfolio Standard Deviation	5.2	5.5
Benchmark Standard Deviation	6.3	6.0
Tracking Error	2.7	3.1
Information Ratio	1.38	0.50
Beta	0.74	0.79
Portfolio Sharpe Ratio	-0.61	-0.01
Benchmark Sharpe Ratio	-1.10	-0.27
Portfolio Sortino Ratio	-0.77	-0.02
Benchmark Sortino Ratio	-1.28	-0.36

**Risk/Return: Since Inception**



*\*Investment returns are gross of investment management fees, and include reinvestment of dividends and income. Values change frequently and past investment performance may not be repeated. Performance inception date: December 31, 2015. The FGP Core Plus+ Bond Fund was launched on October 31, 2017. Historical performance from December 31, 2015 to October 31, 2017 is based on the Core Plus Mandate. From October 31, 2017 onwards, performance is based entirely on the Fund. PC Bond is Copyright © by FTSE Global Debt Capital Markets Inc. All rights reserved. The information contained herein may not be redistributed, sold, modified or used to create any derivative work without the prior written consent of FTSE Global Debt Capital Markets Inc. eVestment Alliance, LLC and its affiliated entities (collectively, "eVestment") collect information directly from investment management firms and other sources believed to be reliable, however, eVestment does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. Performance results may be provided with additional disclosures available on eVestment's systems and other important considerations such as fees that may be applicable. Not for general distribution and limited distribution may only be made pursuant to client's agreement terms. Copyright 2012-2022 eVestment Alliance, LLC. All Rights Reserved.*