

## Why Invest in Canadian Equities?

Canadian equities are relatively inexpensive compared with their U.S. peers when measured by price-to-book and price-to-sales ratios. Our Canadian equity strategy is meant to provide investors with long-term capital growth by investing primarily in equity securities of major Canadian companies in order to provide broad exposure to economic growth opportunities in Canada.

### 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:

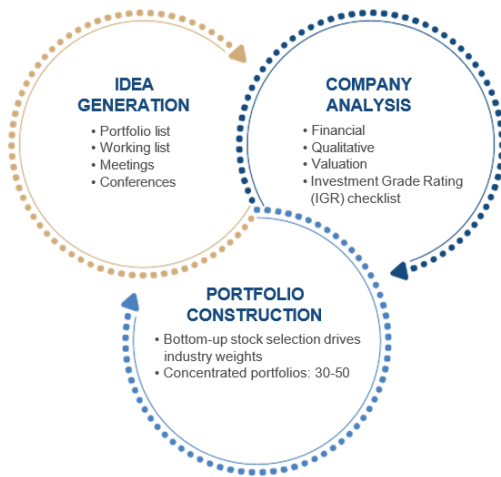
#### Understanding Quality

- Focus on key business drivers (competitive advantage, pricing, cost structure, growth etc.) and the predictability of those drivers
- Assessing business performance in the last downturn and subsequent changes to business model
- Analyzing true free cash flow conversion of the business
- Assessing capital allocation history and balance sheet strength
- Track record on governance and shareholder alignment

#### Disciplined on Valuation

- Wait until expectations are low and risk/return more attractive
- Assess value relative to:
  - The company's historic valuation
  - The broader market and its global peers
  - The quality of the company
- Understand changes in the market and/or business and their structural impact on valuation
- Apply absolute valuation cap to reduce downside risk

### Investment Process



### Investment Grade Rating (IGR) Checklist Summary

	1	3	5	RATING
Business Fundamentals				
Growth (past 10 years)				
Financial Strength				
Profitability				
Corporate Governance				
Share Liquidity				
<b>Overall Investment Grade</b>				

FGP ranks the quality of a company from 1 to 5

**1 - Highest Quality**

↕

**5 - Acceptable Quality**

### Portfolio Management Team

Team Member	Roles and Responsibilities	Year Joined FGP	Year Joined Industry
Bryan Pilsworth, CFA, MBA	Lead Portfolio Manager (large cap)	2007	2002
John Berry, CFA, MBA, P. Eng	Portfolio Manager (large cap)	1998	1998
Tom Duncanson, CFA	Portfolio Manager (small cap) Research – Materials	2004	2004
Brandon Tu, CFA, CPA, CA, MAcc	Portfolio Manager (equity income) Research – Banks, REITs	2008	2001
Zubaida Mirza, CFA, MBA	Research – Energy, Utilities, Telecom	2008	1996
Frank Meng, CFA, CPA, CA	Research – Financials (ex-banks), Industrials, Consumer, Technology	2019	2013
Graeme Lang, BA	Trader	2017	2001

<b>Inception Date</b> January 31, 1993	<b>Benchmark</b> S&P/TSX Composite Index (TR)	<b>Currency</b> CAD
-------------------------------------------	--------------------------------------------------	------------------------

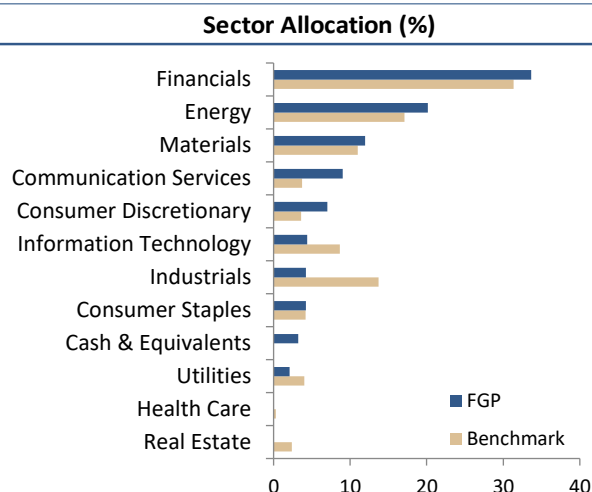
**PERFORMANCE (%)**

**As at December 31, 2023**

<b>Annualized Returns</b>	<b>3M</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>7 years</b>	<b>10 years</b>	<b>Inception</b>
FGP Canadian Equity Fund	3.5	10.3	17.0	11.0	7.4	7.4	12.1
S&P/TSX Composite Index (TR)	8.1	11.8	9.6	11.3	7.9	7.6	8.8
<b>Value Added</b>	<b>-4.6</b>	<b>-1.5</b>	<b>7.4</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.2</b>	<b>3.3</b>

<b>Calendar Year Returns</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
FGP Canadian Equity Fund	10.3	4.1	39.4	-5.1	10.9	-11.9	10.7	27.7	-9.7	7.8
S&P/TSX Composite Index (TR)	11.8	-5.8	25.1	5.6	22.9	-8.9	9.1	21.1	-8.3	10.6
<b>Value Added</b>	<b>-1.5</b>	<b>9.9</b>	<b>14.3</b>	<b>-10.7</b>	<b>-12.0</b>	<b>-3.0</b>	<b>1.6</b>	<b>6.6</b>	<b>-1.4</b>	<b>-2.8</b>

<b>Top 10 Holdings</b>	<b>Weight (%)</b>
1 Toronto Dominion Bank	7.2
2 Royal Bank of Canada	7.1
3 Canadian Natural Resources Ltd.	5.2
4 Bank of Nova Scotia	5.1
5 Imperial Oil Ltd.	5.0
6 Suncor Energy Inc.	5.0
7 Teck Resources Ltd. CL B	3.9
8 Cenovus Energy Inc.	3.8
9 Cdn. Imperial Bank of Commerce	3.7
10 Power Corp. of Canada	3.6
<b>TOTAL</b>	<b>49.6</b>



<b>Risk Characteristics</b>	<b>3 years</b>	<b>5 years</b>	<b>Valuation Characteristics</b>	<b>FGP</b>	<b>Benchmark</b>
Portfolio Standard Deviation	15.1	19.4	Trailing Price/Earnings	12.8	19.1
Benchmark Standard Deviation	13.5	15.9	Forward Price/Earnings	12.4	18.1
Tracking Error	7.0	8.6	Price/Book	1.4	1.9
Information Ratio	1.06	-0.03	Price/Cash Flow	5.8	8.6
Beta	1.00	1.09	Price/Sales	0.9	1.6
Portfolio Sharpe Ratio	0.98	0.47	Dividend Yield (%)	3.6	3.1
Benchmark Sharpe Ratio	0.55	0.59	ROE (5 year average)	13.2	12.5
Portfolio Sortino Ratio	1.60	0.67	Debt/Equity	0.7	0.6
Benchmark Sortino Ratio	0.85	0.86	Wt Avg Market Cap (\$B)	52.1	64.2

\*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: January 31, 1993. S&P/TSX Index Data. Source: TSX Copyright (2023) TSX Inc. All rights reserved.