Commitment to the UK Stewardship Code

AGF International Advisors Company Limited

For period January 1 – December 31, 2022

Introduction

Founded in 1957, AGF Management Limited[1] (AGF) is an independent and globally diverse asset management firm. AGF brings a disciplined approach to delivering excellence in investment management and to providing an exceptional client experience.

AGF International Advisors Company Limited (AGFIA) is an investment subsidiary of AGF Management Ltd. and a provider of long-only equity strategies and other global investment solutions to institutional investors in the United Kingdom and Europe.

Our commitment to the principles of good stewardship and responsible investment is a positive differentiator for AGF. Responsible and Sustainable investing are approaches to investing that incorporate consideration of environmental, social and governance (ESG) factors into the investment process and stewardship activities with the objective of enhancing long-term investment performance.

AGF's approach to responsible and sustainable investing is built on a philosophy of serving our securityholders' investment goals and adhering to our fiduciary duty as an asset manager.

When opportunity presents itself, AGF engages in dialogue where we seek to influence the company's approach on ESG factors that are material and relevant for each specific circumstance. AGF participates in broader discussions about standards and best practices in responsible investing. We engage with companies and policy makers on a wide range of issues to understand better the quality of the businesses that we invest in, and how they are positioned for future challenges, including their approach to ESG issues.

AGFIA fully supports and is committed to the principles of the UK Stewardship Code (the Code).

In this document, we explain our approach to stewardship and provide evidence of our activities. The scope of our reporting generally includes all mandates legally contracting with AGFIA, the AGF Management Limited subsidiary. However, our philosophy, methodology and broader approach to stewardship may be applicable to other investment subsidiaries of AGF.

Brian Brennan

SVP, Head of International Institutional Sales,
CEO, AGF International Advisors Company Limited

[1] In this document, the term AGF may refer to one or more of the direct and indirect subsidiaries of AGF Management Limited, including AGF International Advisors Company Limited, or to all of them jointly.

Purpose & Governance

PRINCIPLE 1

Purpose, Strategy and Culture

Signatories' purpose, investment beliefs, strategy, and culture enable stewardship that creates long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society.

At AGF, we have been bringing stability to the world of investing since 1957 and we are committed to building on our legacy, while continuing to evolve our culture and grow our firm.

In 2022, we celebrated our 65th anniversary. Our longevity can be attributed to many things, such as our history of innovation, our disciplined investment approach and our unwavering commitment to our clients. AGF is an organization rooted in innovation, with a global mindset and a steadfast commitment to delivering for our clients – principles that ring as true today as they did 65 years ago.

Today, AGF is an independent and globally diverse asset management firm delivering excellence in investing in the public and private markets.

AGF brings a disciplined approach focused on providing an exceptional client experience and incorporating sound, responsible and sustainable practices. The firm's investment solutions, driven by its fundamental, quantitative and private investing capabilities, extends globally to a wide range of clients, from financial advisors and their clients to high-net worth and institutional investors including pension plans, corporate plans, sovereign wealth funds, endowments and foundations.

Our Culture

At AGF our people are our best asset. We are committed to being an employer of choice and building a culture focused on transparent communication, collaboration and teamwork. Together we create an environment that is inclusive, empathic, and rooted in respect by embracing the strength of diversity and inspiring a sense of pride in our collective accomplishments.

We strongly believe that providing a satisfying human and physical environment for employees increases our ability to serve and support each other, our clients and our communities.

AGF's mission to bring stability to the world of investing extends to our colleagues and the communities in which we work and live. We have a rich history of community involvement and working with organizations that support and align with our pillars of social responsibility: Education, Diversity & Inclusion, and the Environment. In 2022, we built upon and progressed our commitments in these areas.

We encourage and support each employee engaging in volunteering opportunities with organizations of their choice and all employees are given a paid volunteer day every year.

Employees participated in community activities in many different areas, including participating in a voluntary tree planting activity with the charity Trees for Life in an Ontario conservation area in honour of our 65th anniversary.

We continued to support Indspire, a national, Indigenous-led organization that invests in the education of Indigenous people, to launch the AGF Scholarship Fund for Indigenous Students – an investment that created scholarships annually for Indigenous students who are entering a Business program at a Canadian accredited college or university. This donation was matched by the Government of Canada to double its impact.

In 2022, AGF transitioned to a hybrid work model globally, and Canadian employees moved to a new head office at CIBC SQUARE. The state-of-the-art building provides employees with a flexible workspace, while reducing the firm's office footprint by approximately 22%. The building achieved WELL Health-Safety Rating and WiredScore Platinum accreditation, and is expected to attain LEED® Platinum Core & Shell certification and WELL Platinum Certification, which would make it the first triple-platinum building in Toronto.

We also continued to shape our Diversity, Equity, and Inclusion (DEI) strategy, leveraging an external DEI consultancy and completing a voluntary data collection exercise to assess our employee population and set baselines to measure our progress. There is also a robust employee-led internal DEI committee that continues to grow within AGF.

Community Impact

AGF was recognized in the 2022 United Way Local Leaders List for its contributions to the United Way. United Way provides urgent support to community agencies across Canada for basic needs such as food, support for isolated seniors, and mental health resources.

AGF also continued to be a leader in helping to advance women in the workplace.

We are a lead sponsor of The Prosperity Project, a charity founded to mitigate the impact of the COVID-19 pandemic on Canadian women who are being disproportionately affected by the ongoing impacts of the pandemic. Judy Golding, AGF's President and Head of Global Distribution, is a Founding Visionary for The Prosperity Project.

Kevin McCredie, AGF's CEO & CIO, continued his tenure as Co-Chair of the Canadian Chamber of Commerce's Council for Women's Advocacy. Kevin, on behalf of AGF, and the Council pushed for meaningful action to address the barriers facing women in the workforce while ensuring the perspectives of women are integrated into national public policy development.

Our Principles

Our investment approach is defined by three principles. Together, they create a disciplined investment process that is transparent, repeatable and deeply woven into our DNA – delivering consistent outcomes for our clients.

- **Shared Intelligence:** Our teams work together to form a global perspective, while maintaining the autonomy required to deliver on distinct investment philosophies.
- **Measured Approach:** Our teams diligently apply real-time research, data and analytics across everything we do at AGF, minimizing drastic changes and protecting long-term growth.
- **Active Accountability:** Our teams apply consistent processes designed to deliver repeatable results where active management truly equals active expectations.

These beliefs have been embedded into the three principles of our investment approach:

Shared Intelligence

- At the direction of AGF's CEO and CIO as well as The Office of the CIO, sharing of intelligence related to ESG integration has become a key mandate of AGF's investment management team. All AGF investment professionals recognize that effective research, analysis and evaluation of ESG issues is a fundamental part of assessing the value and performance of an investment, and as such, they share research, analysis and integration of these factors across the teams.
- AGF participates in broader discussions about standards and best practices in responsible investing, collaborating on research and initiatives with other institutional investors to encourage improved transparency and performance on ESG factors.
- AGF's ESG Committee meets monthly to review responsible investment matters within AGF.

Measured Approach

- ESG data is incorporated into investment research templates across investment management teams.
- Our teams use ESG data "flags" to identify and potentially mitigate ESG factors when they become material to long-term financial performance or risk.
- Recognizing that the relative importance of ESG factors varies across industries, geography and time, each investment management team is responsible for determining the precise implementation of ESG integration within their own processes.
- Portfolio level ESG risk is monitored and formally reviewed quarterly with all Portfolio Managers, CIO and Risk and Portfolio Analytics team.

Active Accountability

- AGF adopted Sustainability Proxy Voting Guidelines across all investment mandates to support sustainable business practices and vote in the best interests of our clients.
- Proposals related to ESG issues are considered on a case-by-case basis and will generally be supported if it is expected to enhance shareholder value.
- AGF engages in active dialogue where we seek to influence a company's approach on ESG factors that are material and relevant for each specific circumstance.
- AGF Portfolio Managers are required to own 2× their base salary in AGF mutual funds according to AGF's co-investment guidelines. Through allocations of personal capital our investment management teams are demonstrating their commitment to ESG integration.

Corporate Strategy

We apply forward-thinking practices related to environmental, social and governance factors in establishing strategic priorities to benefit all of our stakeholders.

AGF Investments is a group of wholly owned subsidiaries of AGF Management Limited, a Canadian reporting issuer. The subsidiaries included in AGF Investments are AGF Investments Inc. (AGFI), AGF Investments America Inc. (AGFA), AGF Investments LLC (AGFUS) and AGF International Advisors Company Limited (AGFIA). The subsidiaries that form AGF Investments manage a variety of mandates comprised of equity, fixed income and balanced assets.

*Indirect, wholly-owned subsidiary.

AGFA and AGFUS are registered advisors in the U.S. AGFI is registered as a portfolio manager across Canadian securities commissions. AGFIA is regulated by the Central Bank of Ireland and registered with the Australian Securities & Investments Commission.

In 2022, Corporate Sustainability was identified as one of our key strategic priorities and our motto is 'Responsibility Today for a Sustainable Tomorrow'. As part of this commitment, a multi-year roadmap has been identified with key areas of focus, including but not limited to:

- A holistic assessment of firm wide ESG factors and impacts, including oversight structure, and integration of ESG into ongoing business strategy.
- Enhancing our corporate sustainability reporting that enables measurement and management of ESG factors while meeting increasing regulatory requirements.
- Continuing the integration of stewardship and sustainable investing practices across investment management, including building out our sustainable investment solutions to meet growing demand from institutional investors and retail clients.

Our corporate-wide commitment to responsible and sustainable practices is formalized through the establishment of the **AGF Sustainability Council**, chaired by Judy Goldring, President and Head of Global Distribution. The Council provides oversight of the firm's policies, programs and related risks that concern key public policy and corporate sustainability matters, including public issues of significance to AGF and its stakeholders that may affect AGF's business, strategy, operations, performance and/or reputation. The Sustainability Council has representation from different areas of the firm, including Investment Management, Legal, Risk, Finance, Investor Relations, Information Technology, Compliance, Human Resources, Marketing and Facilities.

The **ESG Committee** assists the Office of the Chief Investment Officer (OCIO) and the AGF Sustainability Council in establishing processes for incorporating ESG issues into our investment decisions and assists in monitoring adherence to stewardship activities. In addition, AGF's Head of ESG is responsible for working collaboratively with each investment management team to continue AGF's ESG integration efforts. These have been formally documented in our Responsible Investment Policy.

The AGF Sustainability Council's focus is at the corporate level, while the ESG Committee is investment management focused. There are shared members across the two groups to ensure consistency and continuity in ESG implementation.

Please refer to Principle 2 for further details on our governance structure, and Principle 7 for examples of our stewardship and ESG integration activities.

Serving the Best Interests of Our Clients

As institutional investment managers, we have a responsibility to act in the best interests of our clients and to have robust policies and procedures designed to best serve our current and future clients.

We reach out to our clients both routinely and at key stages in the relationship to understand their unique requirements.

Onboarding:

AGF has extensive experience managing custom investment mandates and has built a process to identify and address individual institutional client needs in our onboarding process. When a client is onboarded, their sustainability preferences, investment guidelines and constraints are discussed and documented. This ensures that expectations are established in the beginning of a client relationship and AGF is equipped with the correct information to manage the portfolio with our clients' interest in mind. In addition, discussions around correspondence, meetings, reporting and other unique requirements are conducted during the onboarding stage.

Client Meetings:

For our institutional clients, members of the investment team participate in quarterly or annual reviews. Conference calls with the portfolio managers are also arranged, if long distances prevent visits over and above the annual review. This allows for scheduled touchpoints between our clients and the investment professionals that directly manage their portfolios. Examples of the topics discussed during quarterly client meetings include:

- Engagement activities that took place over the period
- Rationale for additions/sells in the portfolio
- Portfolio positioning
- ESG scores for underlying holdings
- Adherence to any unique requirements of the mandate

PRINCIPLE 2

Governance, Resources and Incentives

Signatories' governance, resources and incentives support stewardship.

Meeting with our clients on a regular basis also gives us the opportunity to review our level of service and ascertain that we are meeting our clients' investment objectives. Separately, we have also proactively reached out to garner feedback on our client's stewardship priorities, engagement goals, and expectations, which allows for open dialogue and transparency between AGF and our clients.

Governance

Responsible and sustainable practices are integrated at various levels of the organization.

AGF's Board is responsible for the stewardship of the corporation and has been specifically mandated to oversee AGF's corporate ESG strategy, either directly or through its board committees. The majority of AGF's Board and all of the Board committee members are independent from management. The AGFIA Board are mandated with overseeing the AGFIA's ESG practices, monitoring management's development of such practices either directly or through the Board committees.

AGF's Executive Management Team is responsible for the development and execution of AGF's enterprise-wide strategy, which includes a specific focus on corporate sustainability and ESG.

Under the guidance of the Executive Management Team, AGF has formalized its mandate to advancing sound, forward-thinking practices related to ESG factors in the day-to-day activities of the organization through the establishment of the AGF Sustainability Council. This includes evaluating global initiatives and agreements related to ESG and sustainability matters, our corporate social responsibility engagements as well as our own human capital commitments. The Council is comprised of senior members from across the firm to champion and implement our sustainability strategy.

In 2022, AGF undertook an organizational structural review of our analyst teams and realigned our equity focused investment team members into a centralized equity research team. By combining resources under one team, we expect increased debate and collaboration as well as knowledge sharing that will contribute to deeper understanding of each company. Further, each mandate and strategy are supported by a larger and deeper pool of resources. We are confident that this structure will contribute to better stewardship for our clients.

Governance and Oversight Structure

The advancement of responsible and sustainable practices is integrated at various levels of the organization.

Corporate Sustainability Governance Oversight of AGF's policies, programs and related risks that concern key public policy and sustainability matters.	**Executive Management Team**	**AGF Sustainability Council**	
Investment Management Oversight AGF's ESG Committee assists the Sustainability Council and OCIO on integration of ESG criteria, implementation of AGF's Responsible Investment Policy and establishing guidance for stewardship activities.	**Office of the Chief Investment Officer**	**ESG Committee**	**Head of ESG**
ESG Implementation ESG data and risks are incorporated into investment processes which are monitored and reviewed on an ongoing basis. Active engagements with investee companies.	**AGF Investment Management Teams**	**Dedicated ESG Resources**	**Proxy Voting Committee**

AGF Sustainability Council

The AGF Sustainability Council provides oversight of AGF's policies, programs and related risks that concern key public policy and sustainability matters, including public issues of significance to AGF and its stakeholders that may affect AGF's business, strategy, operations, performance, or reputation.

The Council's objectives include:

- Providing guidance and support related to incorporating environmental, social, and governance factors into our investment management processes and stewardship activities.
- Evaluating and proposing AGF join/remain on national or international initiatives or agreements related to ESG matters.
- Managing our environmental footprint.
- Identifying ways to engage in corporate social responsibility that creates a positive impact in the communities in which we operate.
- Retaining the best talent and incorporating diversity and inclusion throughout the organization.

ESG Committee

The ESG Committee establishes and reviews ESG objectives and assists our investment personnel in meeting them. To bring new perspectives and ideas to the ESG committee, we have made changes to its membership. Specifically, we have rotated some individuals who sit on the committee, ensuring that it benefits from diverse perspectives and maintains its focus on guiding our ESG practices.

While the ESG Committee is primarily an investment management committee, we recognize the importance of including members from other teams to ensure diverse range of viewpoints. By doing so, we can leverage the expertise of colleagues from across the organization.

The ESG Committee consists of representatives from each investment team and assists the Office of the Chief Investment Officer and the AGF Sustainability Council with:

- Educational training on ESG issues
- Establishing processes for monitoring portfolio manager engagement of investee companies on sustainability matters and the incorporation of ESG issues into their respective investment processes; and
- Drafting and updating the responsible investment policies and establishing processes to monitor adherence with such policies across the respective AGF Investment entities.

Resources

Our people, including our investment management professionals, are our most important resource.

When acquiring new talent on the investment management teams, we assess the quality of candidates in terms of the relevance of the skills and experience of AGF employees, the apparent fit of the individual's profile with the stated strategy of the company, tenure and diversity, as well as the track record of representing the interests of long-term investors. To the extent an individual lacks the necessary experience and expertise, managers consider including it as a criterion for future candidates. Managers are encouraged not to look for a candidate who just possesses one skill set. Rather the goal is to find a well-rounded candidate who also has a relevant ESG background. Investment management personnel assessment covers a broad range of ESG risk factors using categorizations based on their investment experience.

Our commitment to responsible ownership and stewardship is reflected in the expansion of our team by hiring a stewardship manager in early 2023. This addition to our team is an important step in fulfilling our ongoing commitments as a signatory of the UK Stewardship Code and reflects our continued efforts to advance our ESG program and achieve our sustainability goals.

The stewardship manager will play a key role in continuing to drive our stewardship activities, including corporate and collaborative initiatives with other investors. They will also play a meaningful role in supporting our portfolio managers and investment analysts in their engagement with companies in which we invest, ensuring that we are actively promoting positive ESG outcomes.

Training

AGF became an IFRS Sustainability Alliance (formerly SASB Alliance) member in 2020 as we believe that the capital markets require standardized sustainability disclosure. This commitment will further assist our investment teams to identify material key issues across their respective sectors. As part of this commitment, many AGF investment staff have attained, or are pursuing, the Fundamentals of Sustainability Accounting ("FSA") Credential. We also have investment team members that have achieved the CFA Institute Certificate in ESG Investing. Certain members of the Board of Directors have also enrolled in senior executive and director focused ESG training, including through Competent Boards. Given the continued increased focus on climate risk, we have an investment team member that has received the Global Association of Risk Professionals ("GARP") Sustainability and Climate Risk Certificate. These accomplishments support our continued work towards improving our understanding and expertise within the ESG space. As part of future education trainings, we plan to further leverage the tools offered by the new IFRS Sustainability Alliance, including through enhanced engagement with the IFRS Foundation team, and fellow IFRS Sustainability Alliance members.

Since 2019, AGF has conducted ESG training sessions to support both investment team members and the larger firm on evolving best practices and trends, including stewardship practices related to engagement and proxy voting.

As part of our ongoing commitment to sharing of knowledge, we collaborated with one of our third-party ESG providers in 2022 to roll out a series of educational sessions focused on various ESG-related topics. Through these sessions, we aimed to deepen the understanding and awareness of our team members on critical issues such as the evolving global regulatory landscape, climate change, impact measurement, and assessing negative driven ESG events. To complement the educational sessions, we made available recordings and additional resources and information through a centralized shared hub.

Also in 2022, our ESG consultant conducted an informative session for our Board of Directors and Executive Management Team to provide insights on the importance of ESG in investment decision-making along with the changing global landscape. These sessions were aimed at raising awareness and building a stronger understanding of ESG principles and practices. Our Head of ESG also moderated a lunch and learn session that was well-attended by the entire firm and recorded for those who could not attend live. This session covered various topics including defining ESG, debunking performance myths, and greenwashing.

A continued focus on sharing of knowledge helps us stay abreast of emerging trends and developments in the ESG space, which is crucial to making informed decisions.

ESG Providers

As part of our investment process, we conduct our own ESG analysis to assess material ESG issues and determine areas of engagement. To support these efforts, we leverage various external research and tools, including third parties such as MSCI ESG Research, Refinitiv, Trucost, Institutional Shareholder Services and Bloomberg.

Sell-side brokers can also be a valuable resource for supporting our ESG analysis as many conduct their own research on companies ESG practices and performance, which often differ from traditional third-party dedicated ESG research vendors. This information can be used to assess ESG risks and opportunities associated with investments and to determine areas of engagement. Sell-side brokers may also facilitate engagement between investors and companies on ESG issues, as they often have existing relationships with corporate management teams.

Performance Management

We believe management incentives should be aligned with those of shareholders and should have a meaningful long-term element. AGF's executive pay policies and outcomes are linked closely to long-term strategy, goals, and performance, including responsible investing for certain members.

Executive

Since 2020, a portion of annual incentives for AGF's CEO & CIO and President, Head of Global Distribution has been tied to sustainability and responsible investing. In 2021, a portion of the annual incentive for AGF's CEO & CIO was tied to bolstering ESG capabilities. As of 2022, all members of the Executive Management Team have a portion of their annual incentives linked to corporate sustainability.

Investment Management

A portion of investment analysts' annual performance incentive is tied to achievement of ESG related objectives. These objectives are incorporated in their individual scorecards and assessed at the end of the performance period. The ESG related objectives include:

- Demonstrate understanding and application of ESG policies and goals of AGF, and apply these guidelines to research
- Ability to conduct critical ESG research for each company using a lens of financial materiality and that work is reflected in their research report
- Identify and initiate appropriate ESG engagements in partnership with the ESG team.

Although our Portfolio Managers' compensation is not linked directly to ESG goals and objectives, AGF has strong sustainable investing practices, principles, and good stewardship that are integrated across our investment processes.

We are continually assessing the effectiveness of our overall ESG governance practices and oversight and will make any enhancements in future years to ensure that they are in line with industry best practices and expectations. A robust ESG governance framework sets clear responsibilities, policies, and procedures for managing ESG risks and opportunities. It also ensures that ESG considerations are included into business strategy, risk management, and performance measurement.

PRINCIPLE 3

Conflicts of Interest

Signatories manage conflicts of interest to put the best interests of clients and beneficiaries first.

Conflicts of Interest Policy

In accordance with the global regulatory standards, AGF has in place steps to identify conflicts of interest, which may arise between our clients and AGF or between one client and another in the course of providing Investment and Ancillary Services to a client. AGF controls conflicts of interest through a range of administrative and organizational processes to maintain logical and physical segregation by business area, preserve the highest level of confidentiality, restrict information flows and ensure independence in our activities which are designed to safeguard the interests of our clients.

When a potential conflict of interest is identified, a conflicts of interest assessment is undertaken. The assessment is conducted by compliance and the relevant Board of Directors, where required. The compliance department maintains a Conflicts of Interest log to document the assessment of, mitigating controls and response to the conflict.

When providing investment management services, in order to safeguard clients against damage from (potential) conflicts of interest, AGF is required to:

- Establish, implement and maintain an effective conflicts of interest policy
- Disclose actual or potential conflicts of interest, which are not mitigated, to its clients
- Keep a record of the conflicts

AGFIA's Conflicts of Interest Policy is available **here**.

AGF lists potential areas of conflict that may arise during the normal course of business and outlines how we strive to mitigate and manage these conflicts. To help prevent conflicts or the appearance of conflicts, AGF employees must confirm annually that they have complied with the AGF Code of Business Conduct and Ethics ("Code"). The Code addresses and enforces AGF's commitment to the maintenance of high standards of conduct and professionalism in all employee dealings on behalf of AGF.

Examples of Potential Conflicts of Interests

Personal Dealing: AGF's Compliance department maintain personal dealing rules which require all employees to preclear all personal dealing transactions in reportable securities, provide monthly attestations and duplicate statements in order to reconcile personal dealing disclosures. AGF employees are subject to blackout periods in certain securities and minimum hold periods.

Trade Errors: AGF employees must immediately identify and escalate all trade errors to the error committee. The Error Committee will independently review the error to ensure that clients are made whole, and that mitigating actions were taken to ensure that the firm had acted in the clients' best interests.

Outside Activities: Outside activities such as outside employment, officer positions or directorships on boards or advisory boards of public or private companies or not-for-profit organizations, volunteering, political participation, or financial involvement with other companies and external organizations outside AGF can create conflicts of interest with an AGF's employees' obligations to AGF and its clients. All AGF Employees are required to obtain approval from their immediate manager, Chief Compliance Officer and President of AGF prior to engaging in outside activities to ensure any potential, perceived or actual conflicts with AGF's interests are promptly identified and managed.

Gifts and Entertainment: While conducting business involves some modest exchange of gifts and business-related entertainment, the value of such gifts and entertainment must not create a real or perceived conflict of interest. AGF employees are not permitted to give or accept gifts or entertainment that may reasonably be determined or perceived to influence the ability of the recipient to exercise objective and independent business judgment.

Related Issuers: AGFIA is a wholly owned subsidiary of AGF Management Limited, a publicly listed company whose non-voting class securities are listed on the Toronto Stock Exchange. In order to manage this conflict and ensure that AGF entities do not act as an advisor in respect of securities of AGF, AGF funds are not permitted to invest in securities of AGF Management Limited.

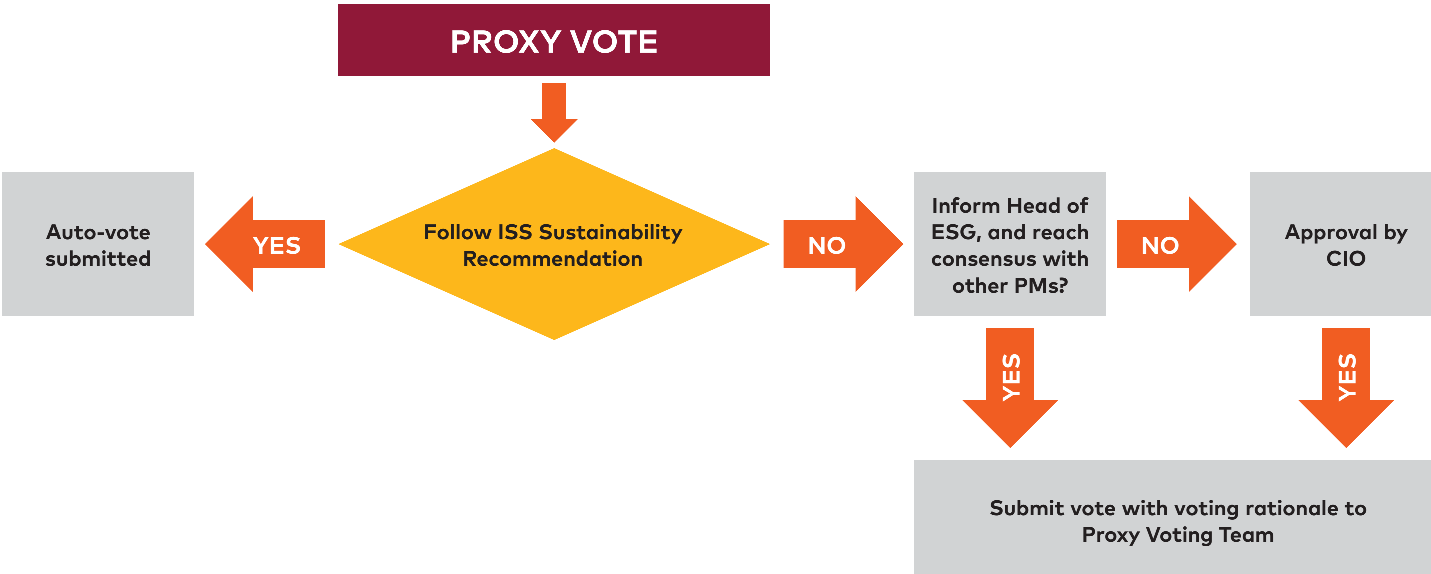
Proxy Voting: AGF recognizes that there may be instances where AGF's interest from a stewardship perspective may be perceived as conflicting with other interests involving AGF, AGF employees and investee companies. AGF may refer certain votes to the AGF Proxy Voting Committee when voting for a company in which AGF or AGF employees have a business or personal interest. In these instances, companies that are identified by AGF semi-annual certification program will have all conflicted securities ballots referred to AGF's Proxy Voting Committee who will direct votes for these ballots.

While exercising proxy voting authority for AGF's clients, AGF has identified situations where actual or potential conflicts may arise, for example, when:

- Proxy votes for non-routine matters are solicited by an issuer who has a direct institutional account managed or advised by AGF.
- AGF has business/relationships with:
  - Participants in a proxy contest,
  - Corporate directors or director candidates, and
  - Senior executives of the soliciting issuer.
- An AGF employee has a personal interest in the outcome of a particular matter before shareholders (e.g., an immediate family member serves as a director of the company).
- An AGF employee has a business or personal relationship with:
  - Participants in a proxy contest,
  - Corporate directors or director candidates, and
  - Senior executives of the soliciting issuer.

The Proxy Voting Committee (described below) has been established to consider such conflicted situations and to decide how to vote the proxy. AGF has established policies and procedures to ensure that personal connections between AGF employees and an issuer is disclosed and that the AGF employee would not be involved in any related proxy voting or engagement activities.

Portfolio managers may at times have different immediate interests in the outcome of certain corporate activities. Generally, it is expected that the votes cast by AGF portfolio managers would be consistent with the AGF Proxy Voting Guidelines, however each portfolio manager will make their final judgment with a view to their fiduciary obligations to their clients. Where a portfolio manager deems it in the best interest of an AGF Client to deviate from the AGF Proxy Voting Guidelines, a rationale for the decision will be documented. While AGF has established internal procedures to identify potentially conflicting voting situations, there is no requirement for individual portfolio managers to vote, or cause to be voted, securities of the same issuer in the same way across multiple AGF clients. AGF has established the following procedures for the proxy voting process where portfolio managers may be casting conflicting votes:



Proxy Voting Committee

The Proxy Voting Committee is comprised of designated individuals from each of Legal, Compliance, Investment Operations, Investment Management, Marketing, a member of the Office of the CIO, Head of ESG and a member of the ESG Committee.

In the event of a conflict of interest situation, the Committee meets either on an ad-hoc or regular scheduled basis to consider the proposed votes in respect of the ballot of the conflicted security. All members of investment management and executive management are required to semi-annually identify any issuers in which they may be conflicted. If an issuer is identified as conflicted, all proxy voting activities are directed to the Proxy Voting Committee. When reviewing votes for conflicted securities, the Proxy Voting Committee considers:

- The nature of the conflict
- Whether any ballot items have a close relationship with the situation giving rise to the conflict
- Whether the proposed vote is consistent with independent recommendation and research

During the reporting year, there were no conflicted securities identified in the mandates managed by AGFIA.

The Proxy Voting Committee also convenes to consider situations where AGF portfolio managers have voted inconsistently on the same ballot and to review published rationales in situations where AGF: (1) votes against the Board; (2) votes against shareholder resolutions (3) withholds from voting; and (4) does not follow the AGF Proxy Voting Guidelines. During the annual review of AGF proxy voting records disclosure, the Proxy Voting Committee receives the disclosure summary of all voting records and considers whether rationales are documented, defensible, and appropriate for dissemination. Please see Principle 12 for additional information on Proxy Voting.

PRINCIPLE 4

Promote Well-Functioning Markets

Signatories identify and respond to market-wide and systemic risks to promote a well-functioning financial system.

Market Risk Research

The AGF Asset Allocation Committee ("Committee") consists of senior investment professionals who discuss, analyze and assess the macroeconomic environment and capital markets, including factoring in market-wide and systemic risks in order to determine optimal asset allocation. Each Committee member provides their insights and perspectives and their outlook for their respective asset class, including both opportunities and risks to their forecast. The whole investment management team is also surveyed for their input prior to the Committee's quarterly meeting.

On a monthly basis the entire investment team meets formally to discuss geopolitics, the global macroeconomic environment, equity and fixed income markets, global trade, ESG developments, market performance, and market risk factors. Representation from each investment team provide an update and include any material market and systemic risks that pose challenges to the financial system and their respective outlooks.

On a daily basis, the investment team conducts a similar meeting but shorter in length, where they review the events of the previous day and the current day. Topics are similar to the monthly meeting where the team discusses geopolitics, economic data, central bank meetings, financial markets, and all other market and systemic risks that can impact the functioning of the financial system. AGF's Chief Investment Officer, Chief Trading Officer, and Chief U.S. Policy Strategist each provide an update relative to their areas of expertise, followed by any other investment team member that have updates on their respective asset class, sector, and region.

The sharing of information is paramount to ensuring investment analysts have a fulsome view for the fundamental company research they conduct under their coverage. Weekly sector meetings also provide a forum to discuss any market and systemic risks.

The investment team frequently engage third-party industry experts and consultants on a broad range of topics and to help identify and assess the interconnectedness of market-wide and systemic risks. In addition, AGF's quantitative research team provides a deep analysis of the factors that are driving the market.

AGF's fundamental investment teams conduct independent research where they, in addition to analyzing a company's fundamental factors, evaluate macroeconomic conditions and geopolitics to assess how these can impact an investee company and the broader economy.

Our investment teams regularly engage with companies as part of our continuing fundamental research process, which includes ESG analysis. Constructive dialogue can enhance the accountability between stakeholders and improve the risk/return profile of investee companies. Our objective in such discussions is to reduce company-specific risks, and to mitigate broader market-wide and systemic risks over time. We also use proxy voting to effect change and maximize shareholder value by increasing the sustainability of a company's franchise.

Risk Management

Enterprise Risk Management

Following the three-lines of defense framework, AGF has an active enterprise risk management ("ERM") program, overseen by the Executive Management Team and facilitated by Internal Audit. The ERM process is ongoing throughout the course of the year in order to continuously monitor for new or emerging risks. The framework includes an inventory of applicable risks, an annual risk assessment, definition of risk appetite, establishment of tolerance levels and monitoring of action items that mitigate risk. Risks ownership sits with the Executive Management Team and the resulting mitigation plans are reported on a quarterly basis to the Board of Directors.

AGF has an independent risk management team that oversees all the managed strategies daily. On a quarterly basis, the Head of Risk & Portfolio Analytics, along with the CIO, members of the OCIO and representatives from the portfolio management team, conducts a quarterly review of each strategy. During the reviews, areas of focus include performance attribution and risk, peer comparison, portfolio composition including recent activity, liquidity risk, style analysis, ESG analysis, and portfolio construction. We subscribe to data and research from third party vendors, including MSCI ESG, which is integrated into the quarterly reviews. We also run periodic stress tests to understand how a sudden change in interest rates, commodity prices or other market factors could impact our portfolios. This includes historical market events.

While the risk function maintains independence from direct investment decisions, the Head of Risk & Portfolio Analytics is a part of the Office of the CIO. The OCIO is a structure that was put in place in 2018 to encourage collaboration and active accountability across AGF's investment management teams and the broader organization, capitalizing on the firm's depth of talent while driving forward the teamwork that is necessary for the long-term success of its investment management.

Our investment teams adopt a research-driven investment process focused on bottom-up stock selection while incorporating macroeconomic views and insights from our internal and external research. We actively monitor and limit the portfolio's exposure to active risks based on individual security, country, sector, and style bias concentration.

Active engagement and stewardship activities, including proxy voting, are important components of our ESG process. ESG analysis is most impactful when fully integrated within the fundamental investment research process. Because our analysts retain in-depth knowledge of the companies and sectors within their coverage, they are the best arbiters in determining the materiality of ESG risks and opportunities and the impact they would have to the valuation and the longer-term growth profile of a company. Further, by covering both developed and emerging markets, our analysts provide additional insight when conducting fundamental research and comparing material ESG issues across companies globally. When formulating price targets and recommendations, analysts will incorporate material ESG issues into their base, bull and bear cases, when appropriate.

In portfolio construction, we apply appropriate diversification to minimize portfolio risks, placing emphasis on developing a diversified and durable portfolio through our stock and country selection. We also monitor the weighted average score of the mandate on ESG factors and compare it to the benchmark. We also regularly perform an attribution analysis based on ESG factors.

Climate Change

AGF believes climate change will create risks and opportunities for the global economy. In response to this growing concern, AGF is a public supporter of the Task Force on Climate-related Financial Disclosures (TCFD). To effectively assess and mitigate risks going forward, it is essential that investors gain access to quality, comparable, and forward-looking climate-related disclosures from corporate issuers.

In 2021, AGF became a founding participant in Climate Engagement Canada (CEC) – a finance-led initiative that aims to drive dialogue between the financial community and Canadian corporations to promote a just transition to a net zero economy. Through this collaborative engagement, AGF has committed to co-lead and support two company-level engagements. In 2022, coordination of participating investors began, which included some initial outreach to the focused companies. In future reports we will provide further updates and details on this important collaborative initiative, including the company engagements.

AGF, in 2022 reaffirmed its commitment to support CDP's Science-Based Targets campaign calling on the world's highest impact companies to set science-based emissions reduction targets in line with 1.5°C warming scenarios. CDP is not-for-profit that runs the global disclosure system for investors, companies, cities, states, and regions to manage their environmental impacts.

As part of our continued efforts to increase higher-quality disclosure, AGF is also signatory of Climate Action 100+. Engaging and working with companies on the need for greater disclosure around climate change risk may support better informed investment decisions. We focus on the central message that inaction by investee companies may result in investors taking further action. As co-lead investor with a focused company, we conduct direct and collaborative investor engagements to improve governance on climate change, encourage reduction in emissions and improve overall climate-related financial disclosure. Additional details on our collaboration efforts can be found in Principle 10.

Climate change is a systematic risk that could potentially lead to the collapse of financial markets, so we remain focused on addressing climate change to promote a well-functioning financial system.

Corporate Counterparty Governance Committee

Corporate counterparty risk is the risk of financial loss if a counterparty to a trade happens to default before final settlement. This 'settlement risk' occurs when a counterparty cannot honour its trade obligation to AGF before the transaction has completely settled. All over-the-counter transactions carry some settlement risk. More complex arrangements such as securities lending and derivatives contain the widest variety of counterparty risk.

As an industry best practice, AGF has established a committee responsible for corporate counterparty risk management activities. The dedicated Counterparty Committee helps ensure a consistent view on counterparty risks and the use of centralized reporting and processes to monitor the potential risk and exposure.

The Counterparty Committee is represented by various key departments and is responsible for reviewing and assessing the facts associated with daily and weekly counterparty exposure reports, and achieving consensus on how best to proceed with potential risks and/or exposures in a timely manner, ensuring that any future client, corporate exposure, risk and potential losses are mitigated or eliminated.

Investment Governance Committee

AGF has an Investment Governance Committee ("IG Committee") that is responsible for oversight and governance of portfolio management, trading and potential areas of conflict of interest. The IG Committee meets quarterly and has its own written charter, which it reviews and updates every 12-18 months. The IG Committee conducts quarterly reviews of best execution, broker selection/approval process, ongoing broker oversight, soft dollars, allocation of investment opportunities, error reviews, investment portfolio guideline standards, liquidity risk management review, and various conflicts of interest (e.g., gifts & entertainment, political contributions).

The IG Committee is comprised of individuals, including shared resources teams supporting AGF, serving in the following capacities:

- Chief Compliance Officers
- Chief Trading Officer
- Chief Investment Officers
- Head of Risk and Portfolio Analytics
- Chief Operating Officer
- Chief Legal Officer
- AVP, Compliance
- AVP, Investment Operations

PRINCIPLE 5

Review and Assurance

Signatories review their policies, assure their processes and assess the effectiveness of their activities.

Responsible Investment Policy

AGF's **Responsible Investment Policy** is reviewed at least every two years or more frequently if needed. The ESG Committee oversees responsible investment matters, including the implementation and review of the Responsible Investment Policy. We have updated our Responsible Investing Policy to apply across additional affiliates, along with outlining the general degree to which ESG considerations may impact both investment decisions and financial performance. As regulators globally have focused their efforts in 2022 on ESG regulations, and guidance, we will be further reviewing our Responsible Investing Policy with a lens on the evolving ESG landscape and definitions and to ensure it complies with emerging best practices.

Investment teams hold quarterly portfolio reviews with the Office of the CIO to assess portfolio level ESG investment risks. In addition, there is ongoing monitoring of ESG data 'flags', which includes monitoring of very severe ESG negative-driven events that could have an impact on future company performance.

Engagement Policy

AGF's Engagement Policy outlines the firm's objectives to create an open dialogue with the companies in which AGF invests. The focus includes financially material ESG issues that through engagement, can be strengthened and affect companies' ability to create value.

AGF's Engagement Policy, which is reviewed at least every two years, is designed to guide stewardship and engagement activities for its discretionary investment strategies with various stakeholders, including companies, suppliers, governments, and government-related agencies. Similar to the Responsible Investment Policy we have made updates to the Engagement Policy and will be further reviewing to ensure we are incorporating both current and emerging best practices.

Through regular engagements, AGF aims to discuss a broad range of matters that include company strategy, financial and non-financial performance and risk, capital allocation, capital structure, and to enhance issuer behaviour and disclosures around ESG issues.

AGF monitors investee companies and other issuers using several sources, including financial statements from issuers and financial platforms such as Bloomberg, regulatory announcements and filings, sell-side research firms and other third-party research provider.

ESG engagements are documented and tracked to help monitor progress and to follow-up in future engagements. AGF reports summary data on its ESG active ownership activities to select clients, as requested. The Engagement Policy does not apply to AGF's systematic strategies along with a limited amount of mandates where the investment objective and/or rules-based investment strategies precludes the consideration of ESG factors.

Corporate-wide Policies

AGF's Compliance team distributes the firm's policies and training modules. AGF has corporate-wide and department-specific compliance monitoring programs to ensure ongoing compliance with applicable laws and regulations. AGF's compliance policies are reviewed and updated on at least an annual basis.

Also, quarterly, the Compliance team generates a governance certification for every account under management of a portfolio manager, including a declaration of compliance with client objectives. Each certification is signed by the Portfolio Manager and the Chief Compliance Officer.

Enterprise Risk Management

Following the three-lines of defense framework, AGF has an active enterprise risk management ("ERM") program, overseen by the Executive Management Team and facilitated by Internal Audit. The ERM process is ongoing throughout the course of the year to continuously monitor for new or emerging risks. The framework includes an inventory of applicable risks, an annual risk assessment, definition of risk appetite, establishment of tolerance levels and monitoring of action items that mitigate risk. Risk ownership sits with the Executive Management Team and the resulting mitigation plans are reported on a quarterly basis to the Board of Directors.

Internal Audit

In addition, AGF has an internal audit team that reviews the firm's policies and procedures as part of its internal audit process, which includes both our Engagement Policy and Responsible Investment Policy.

As part of the annual audit planning process, Internal Audit performs an annual risk assessment of the entire organization including operational risk and control framework. This risk assessment is updated based on audit results from the past year, any investigations completed, and through discussions with management. Based on this risk assessment and considering the last audit date, Internal Audit creates the annual audit plan, which is presented to and approved by the Audit Committee of the Board of Directors. The audits are designed to provide assurance on the design and effectiveness of key processes and key controls that mitigate risk. Internal Audit also performs advisory reviews of certain items, such as system implementations or large projects. Audit results are presented, on a quarterly basis, to the Audit Committee and management action items are monitored by the Internal Audit team.

In 2021, Internal Audit completed an audit of our Corporate Governance program, which included Board charters and mandates as well as an Investment Operations audit, which included a review of proxy voting. In 2022, Internal Audit performed an audit surrounding internal processes related to the UK Stewardship Code and found the processes to be effective. Additionally, processes around ESG will be captured in the 2023 audit plan, specifically in Investment Management, Human Resources, and Marketing.

Additionally, to enhance the firm's risk awareness and to elevate the important role of Internal Audit, AGF created a new Vice President role and subsequently hired a VP of Internal Audit in late 2022. The VP selected brings deep global experience from work in various industries through public accounting and consulting.

Investment Approach

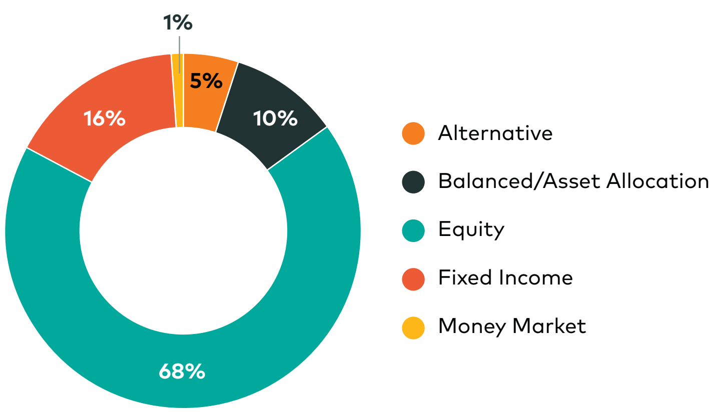
PRINCIPLE 6

Client and Beneficiary Needs

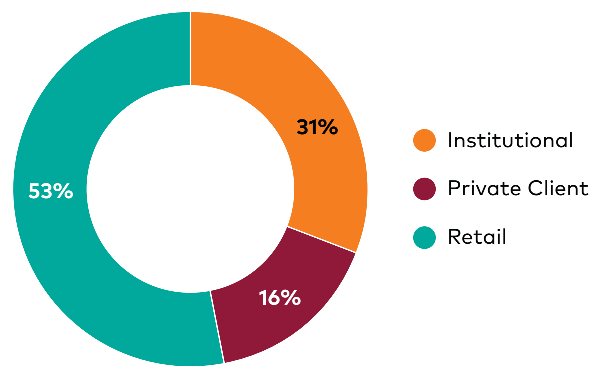
Signatories take account of client and beneficiary needs and communicate the activities and outcomes of their stewardship and investment to them.

AGF has a broad range of clients that span geographies, asset classes and investment styles. Below is the breakdown of AGF's assets under management by asset class.

AGF Client Breakdown by Asset Class



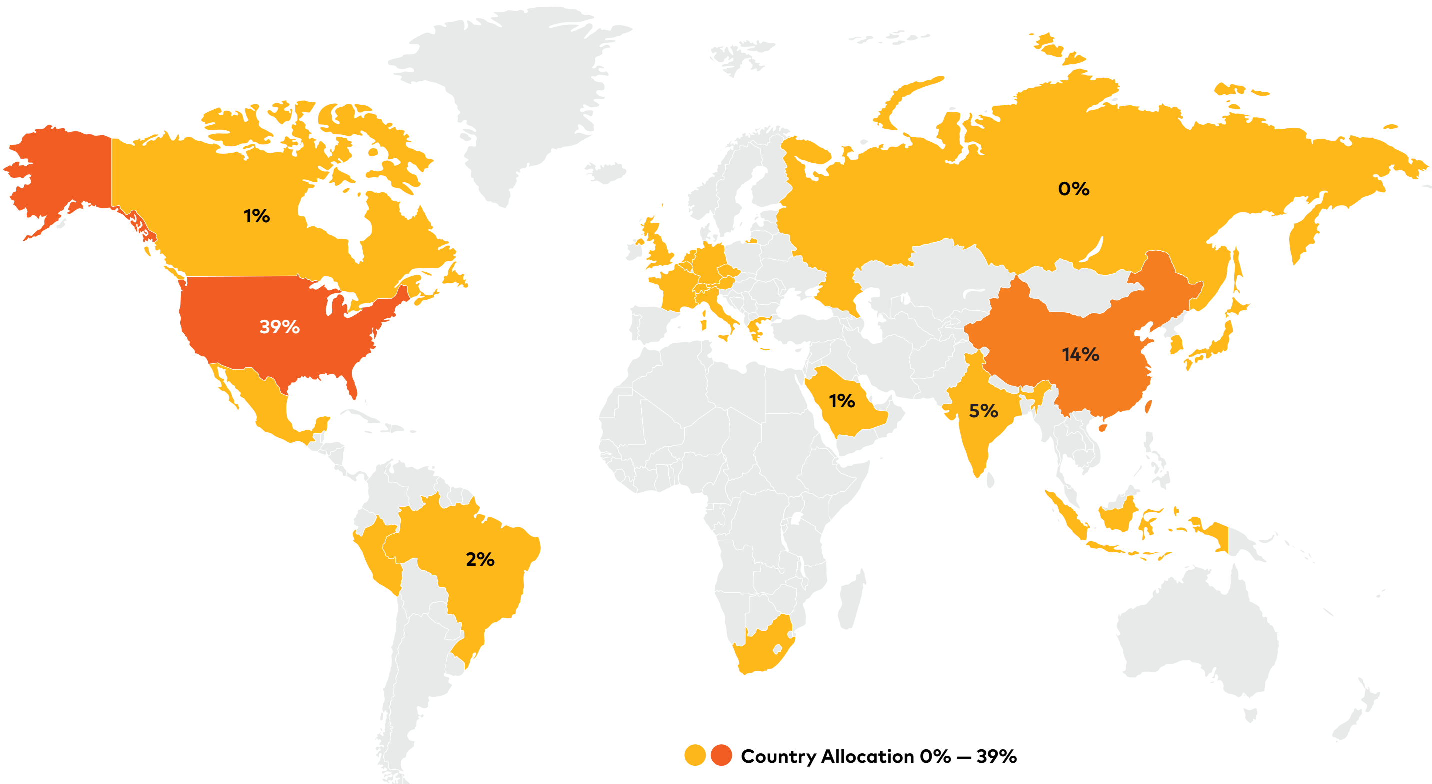
AGF Client Breakdown by Retail vs. Institutional



Source: AGF Investments as of December 31, 2022. Assets represent assets under management by AGF's investment management subsidiaries and fee-earning assets.

AGF's experience managing assets for investors across different international jurisdictions extends back several decades, including clients in Canada, the United States, the United Kingdom, Europe, Asia and Australia. AGFIA currently manages assets on behalf of institutional clients only, and these clients are primarily located in the UK, Europe and Australia. AGFIA's client portfolios are equities focused.

The map below details the countries in which AGFIA's clients are invested.



Source: AGF Investments as of December 31, 2022, for AGF International Advisors Company Limited by MSCI country inference.

Client Needs

AGF seeks to provide both investment and client service excellence to our investors. In doing so, we are driven by a client-focused, collaborative culture. We work closely with clients to determine suitable exclusionary and/or other specific guidelines that best meet the needs of each account.

Clients differ widely in their ethical beliefs and how they want to impart these views through their investments. Client beliefs on these matters may differ by geography, by client type, and to the extent to which responsible investing is embedded within their organization. Thus, we believe that the ultimate decision is best driven by our clients.

We regularly engage with our institutional client base to determine any requested exclusion lists or other specific guidelines that can evolve over time. As an example, we were requested by one of our clients to perform Islamic-based screening, including social-based exclusions within their portfolio. We discussed their views on several occasions, provided our recommendations and modified different screening requirements. For our clients who periodically notify us about their ESG exclusions, we will work with them to operationalize these in our process, where possible.

Below are examples of the unique needs of AGF's clients:

Institutional Client	Client Needs	AGF's Approach
Australian Investment Fund	Faith-based restrictions that exclude companies with non-permissible activities and financial criteria above certain thresholds.	AGF conducts negative screens based on an internally developed methodology to suit the client's unique needs. AGF also provides an "income purification" analysis, facilitating the client's practice to donate income earned from any business activities that are non-permissible according to the faith-based guidelines.
European Investment Fund	ESG restrictions: the investment universe is limited to companies that are "Investable" as specified by the client's ESG provider. A maximum 5% allocation is allowed to companies deemed "Not Investable".	AGF manages the client's portfolio in accordance with the client specific ESG guidelines and provides a documented rationale in the event a "Not Investable" name is included in the portfolio (below 5% weight). AGF is also obligated to put in place a clear engagement strategy for all 'Not Investable' securities.
U.S. Pension	A sustainability-focused mandate, with ESG restrictions and a focus on low-carbon transition and resource efficiency.	AGF's portfolio focuses on companies that address sustainability issues by using a thematic investment framework. AGF also manages the mandate against a custom benchmark.
US Investment Fund	Faith-based restrictions that exclude companies with non-permissible activities.	AGF is one of three managers in this multi-manager portfolio. Investments are based on an approved list of securities. Prior to entering positions in new names, the investment management team seeks approval from the client.

Consistent with our institutional clients' general long-term approach of 3-5 years, we invest with a long-term investment horizon, targeting low turnover and an active approach to engagement with our holdings. We take a balanced approach by integrating both short and long term ESG issues into our fundamental research and valuations.

As part of evaluating risks beyond our general investment time horizon, and consistent with our support of the TCFD recommendations, we may consider systemic climate risk issues, such as physical and transition risk.

Client Communication

AGF communicates the activities and outcomes of stewardship and investment to clients through routine reporting, conference calls and in-person meetings. Our reports may include, but are not limited to:

Publication	Description
Quarterly presentations	During quarterly client portfolio reviews, AGF will include relevant ESG engagements that took place over the review period.
Monthly and quarterly stewardship reporting	Proxy voting reports, ESG engagements and compliance certificates are included in client reports for selected investment strategies.
Whitepapers on ESG issues	AGF's investment management teams occasionally publish thought leadership pieces, often covering ESG issues, viewpoints and market outlook.
Proxy voting records	Our proxy voting records for listed equities can be accessed **here**.
Portfolio level ESG scores	We provide clients with the ESG scores of their portfolio and underlying securities, compared to the benchmark.
Carbon Footprint Report	For some of our investment strategies, AGF uses Trucost to analyze environmental and carbon footprint data (such as greenhouse gas emissions, water use, waste, land and water pollutants, air emissions, natural resources and VOC emissions) for our portfolio companies. We report the portfolio's environmental and carbon footprint to our clients on a quarterly basis.
Responsible Investment Policies	These policies formalize the management of AGF's investment strategies as it pertains to our responsible investment and engagement philosophy, implementation and criteria.

We provide monthly and quarterly information reports for institutional clients. For a specific client, commentaries include engagements we have had on select companies, including those that are deemed as being non-investable in certain strategies, and why we still own the stock from an ESG perspective. We also communicate with clients on a quarterly basis during review calls where we discuss portfolio ESG issues – both risks and opportunities – and engagements.

Throughout our report, we highlight examples of our active engagement approach. The table below illustrates the type of ESG engagement examples we disclose to clients:

Engagement	Engagement Comments*
Company A United States Environmental, Social, Governance	We engaged with a U.S. telecommunication services company on a broad range of ESG issues. From an energy management perspective, half of the company's current energy consumption is sourced from renewables, mainly wind and solar. Although they have indicated a desire to increase this percentage even further over time, we encouraged them to set an actual quantitative target. Setting a target is considered best practice and has been adopted by their ESG peers in Europe. As the company has continued to invest in cyber security, we engaged on data privacy, security, monitoring and their policy around data breaches. We also discussed the company's rating by third-party rating agencies. We encouraged management to maintain their ongoing discussions with these third-party ESG rating agencies to better communicate their ongoing progress on the company's sustainability initiatives. Finally, we engaged on executive compensation linked to ESG. Management indicated that their ESG-related goals are public and embedded within executive compensation, including improvements in diversity and culture, and carbon emissions.
Company B United States Social, Governance	We engaged the management of a U.S. life insurance company on social and governance issues. We discussed employee turnover, as we noticed a higher level of turnover more recently. Management noted that the higher level of turnover resulted from the increase in the minimum wage, from $15 to $20/hr, which is common across many organizations. We discussed diversity on the Board of Directors, in terms of gender, tenure, age and skillsets. Management stated that the Board is comfortable with its current composition but would like to improve diversity as current Board members retire. We discussed executive compensation. Management confirmed there are sustainability KPI's embedded within the performance for individual executives at the senior level, though it is not publicly disclosed. We encouraged management to disclose the information in the future to help improve transparency as it would be helpful for investors and other stakeholders.

*For illustrative purposes only.

In addition, members of our investment teams participate actively through webinars and ESG-focused conferences to further educate our clients on our stewardship and investment activities, along with advancing their overall knowledge on various ESG issues.

AGF is committed to providing clients and interested parties with an in-depth view of our stewardship approach.

ESG Scores

AGF provides clients with insights into their portfolios' ESG rating relative to the prescribed benchmark. As an example, AGF leverages proprietary data from MSCI to give insights into the measure of the portfolio's resilience to long-term, industry-relative and material ESG risks.

Below are examples of the type of client reporting that we produce for our existing clients, including ESG ratings distribution and attribution, and environmental footprint metrics.

ESG Ratings

For the period November 30, 2022 - December 31, 2022

Analysis Date	November 30, 2022	December 31, 2022
Portfolio Name	CLIENT	CLIENT
Industry Adjusted Score	6.90	6.94
Environment Score	6.13	6.12
Social Score	4.98	4.94
Governance Score	5.86	5.81
Carbon Emissions – Scope 1 and 2 Intensity in t/USD million sales	168.74	159.21

MSCI Company Rating	Average Portfolio Weight	Average Benchmark Weight	Category Return*	Contribution to Return*
AAA	13.0%	17.2%	-7.7%	-1.0%
AA	24.2%	31.1%	-6.1%	-1.5%
A	34.4%	27.1%	-6.0%	-2.1%
BBB	25.1%	16.7%	-4.0%	-1.0%
BB	0.1%	4.9%	-5.2%	0.0%
B	0.0%	2.3%	-6.4%	0.0%
CCC	0.0%	0.7%	-8.0%	0.0%
Others	1.6%	0.1%	0.1%	0.0%
Cash	1.6%	0.0%	-2.2%	0.0%
TOTAL	**100.0%**	**100.0%**		**-5.6%**

Source: AGF as of March 2022.

Environmental Footprint Relative to Benchmark

Our strategy represents a materially lower environmental footprint when compared to a non-thematic, traditional investment universe, as demonstrated by our benchmark MSCI World Index.

The AGF Global Sustainable Equity Strategy generates a

10% ↓

lower environmental footprint than MSCI World and is

30% ↓

less carbon intensive on a per revenue basis.

On a per dollar invested basis, the portfolio is

19% ↓

less environmentally intensive

37% ↓

less carbon intensive.

After normalizing for sector allocation differences, the portfolio is

14% ↑

more environmentally efficient

22% ↑

more carbon efficient than the benchmark.

Source: Environmental Footprint from Trucost for AGF Global Sustainable Equity Strategy as of December 2022.

Client Feedback:

We reached out to all AGFIA clients during the reporting period and sought feedback on their stewardship priorities, engagement goals, and expectations. We believe that a formal and scheduled touchpoint provides the opportunity for AGFIA to continually align our stewardship approach with the unique needs of our clients. In addition, we discuss stewardship, ESG issues and engagements and firm initiatives during our quarterly client reviews. This allows for open dialogue and transparency between AGFIA and our clients.

We evaluate the effectiveness of our approach on an annual basis. This evaluation includes assessing client response rates and determining if greater engagement can be achieved through different approaches. For example, we have proposed ESG-focused meetings in addition to our regular quarterly review cycle and considered a formalized communication plan to keep our clients abreast of AGF's initiatives.

The client response rate in 2021 was mixed and we did not receive responses from all of our AGFIA clients. We re-evaluated the effectiveness of our approach in January 2022 and trialed a different approach. The Institutional Client Servicing team provided an opportunity for client feedback on AGFIA's stewardship, ESG issues and engagement approach in a Q1 quarterly portfolio review call with one of our clients. This was well-received, and we will consider adopting this method for other clients in the future, as applicable.

PRINCIPLE 7

Stewardship, Investment and ESG Integration

Signatories systematically integrate stewardship and investment, including material environmental, social and governance issues, and climate change, to fulfil their responsibilities.

Incorporation of ESG into Investment Process

AGF believes that considering ESG factors may uncover investment opportunities and reduce risk in the portfolio. ESG factors can offer valuable insights into a company's culture, operational excellence, reputation, and regulatory risks.

Depending on the industry and company, ESG issues may be a key financial factor to future shareholder return. If we identify as part of our analysis that an ESG factor will have a material financial impact on the company's future return, it can be incorporated in our financial analysis. For some investment strategies, we will identify and assess financially material ESG factors as part of our fundamental analysis by adjusting the discount rate in our discounted cashflow analysis and/or target multiples to reflect the appropriate ESG considerations. When ESG factors and explanations fall short due to lack of disclosure, direct company engagement is critical to our analysis to better understand ESG exposures, their potential impact on the valuation and on our proxy voting decisions. We seek to understand a variety of ESG risks, including the risks that companies are exposed to and the risks that are created by company operations. To ensure our understanding of these risks, company-level disclosure and engagement are paramount.

In 2022, AGF undertook an organizational structural review of our analyst teams and realigned our equity focused investment team members into a centralized equity research team. By combining resources under one team, we expect increased debate and collaboration as well as knowledge sharing that will contribute to deeper understanding of each company. Further, each mandate and strategy are supported by a larger and deeper pool of resources. We are confident that this structure will contribute to better stewardship for our clients

AGF's ESG integration approach differs across sectors and industries. For example, to help determine materiality, investment teams use the industry-specific SASB standards, in addition to the deep experience and knowledge of our analysts. The integration of stewardship and investment is relatively consistent across strategies. What differs, however, is the interests and demands of AGFIA's clients across regions, with European clients tending to have higher interest and more knowledge across ESG issues due to the further advanced stage of many ESG regulations in the region.

In our discussions with management, we will raise ESG factors to gain a better understanding of a company's sustainability policies and management systems. These discussions are documented on AGF's internal database.

AGF also addresses ESG concerns through active ownership and engagement. We have an active ESG Committee with several members who report to AGF's Chief Investment Officer. The ESG Committee reviews the implementation of the AGF Responsible Investment Policy within the strategies.

We are focused on how companies are integrating climate issues into their business decisions and who is accountable. We may ask how companies intend to integrate the Governance and Strategy pillars of the TCFD in their business decisions. As part of our continued focus, AGF continues to participate in the CDP Science-Based Targets Campaign to support science-based climate targets and 1.5°C aligned action from high-impact companies.

Stewardship activities, including engagement and proxy voting, are components of the fundamental research process, and can help support decisions to acquire, maintain or divest from investments.

Case Study – Waste Management Corp.

Waste Management Corp. is a long-term holding in the AGF Global Equity Strategy and we have engaged management on ESG issues for many years.

The Waste Management industry is regulated in the U.S. by the Environmental Protection Agency (EPA) through the Resource Conservation and Recovery Act (RCRA). Regulations include specific rules for hazardous waste disposal and encourages states to create plans to manage non-hazardous waste. The group of waste management companies within the Environment & Facilities Services sub-industry are materially exposed to toxic emissions regulations through the business of hauling and processing waste. However, Waste Management stands out from its U.S. MSCI All Country World Industrials Index peers in managing its environmental footprint of its waste sites. Over the years, we have engaged with Waste Management in various areas that they can improve on environmental, social and governance issues.

Given Waste Management's business has high carbon and toxic emissions, we have engaged with management over time to encourage efficient and responsible ways to reduce their carbon footprint. One of these initiatives is to transition their trucks to run on clean burning natural gas, which they generate from their landfills through the operation of gas-to-energy facilities at many of their sites, which can help to further reduce the company's carbon footprint.

In the most recent period, we followed up on our engagement with management on the company's initiatives to invest in renewable energy. Waste Management has continued to invest in renewable energy over the long-term, which is now in use at 145 of their facilities. We encouraged management to keep increasing the number of facilities that produce natural gas. The natural gas produced is currently fuelling approximately half of the trucks in their fleet. Waste Management also sells the gas they produce on a long-term contract basis.

We engaged with management on their use of Science Based Targets and are encouraged that the company is making further progress towards their absolute emissions reduction targets set in 2018, which are in line with Science Based Targets. While it is still early, management stated that they are looking at ways to become more ambitious on emissions reductions and how they potentially can achieve the company's environmental footprint on a 1.5°C pathway.

We continue to encourage management to increase its efforts on promoting a circular economy, in an effort to decrease the need for landfills. Waste Management uses plastic recycled plastic in its operations, including employee uniforms that are made from recycled plastics. The company is in the design phase of using recycled plastics in its products and packaging and are working with companies to isolate a larger portion of plastics in recycled content, which resulted in a 40% increase in recycled content.

Waste Management has continued to show positive developments in reducing its adverse environmental impacts, and we will continue to engage and encourage management to increase the bar for meeting and exceeding the targets they set.

Centralized ESG Hub:

In our efforts to leverage our firmwide capabilities and expertise to support ESG initiatives, we engaged with both our Data Engineering and Data Science Teams to develop analytical tools to support evaluation of ESG performance of our portfolio companies.

Through a dedicated ESG Committee working group, and with the support of our internal Data Engineering and Science Teams, we have developed a centralized ESG Hub to further support the investment team and complement their research. The Hub provides our investment professionals with access to ESG data, research, and analysis tools, helping to make more informed investment decisions.

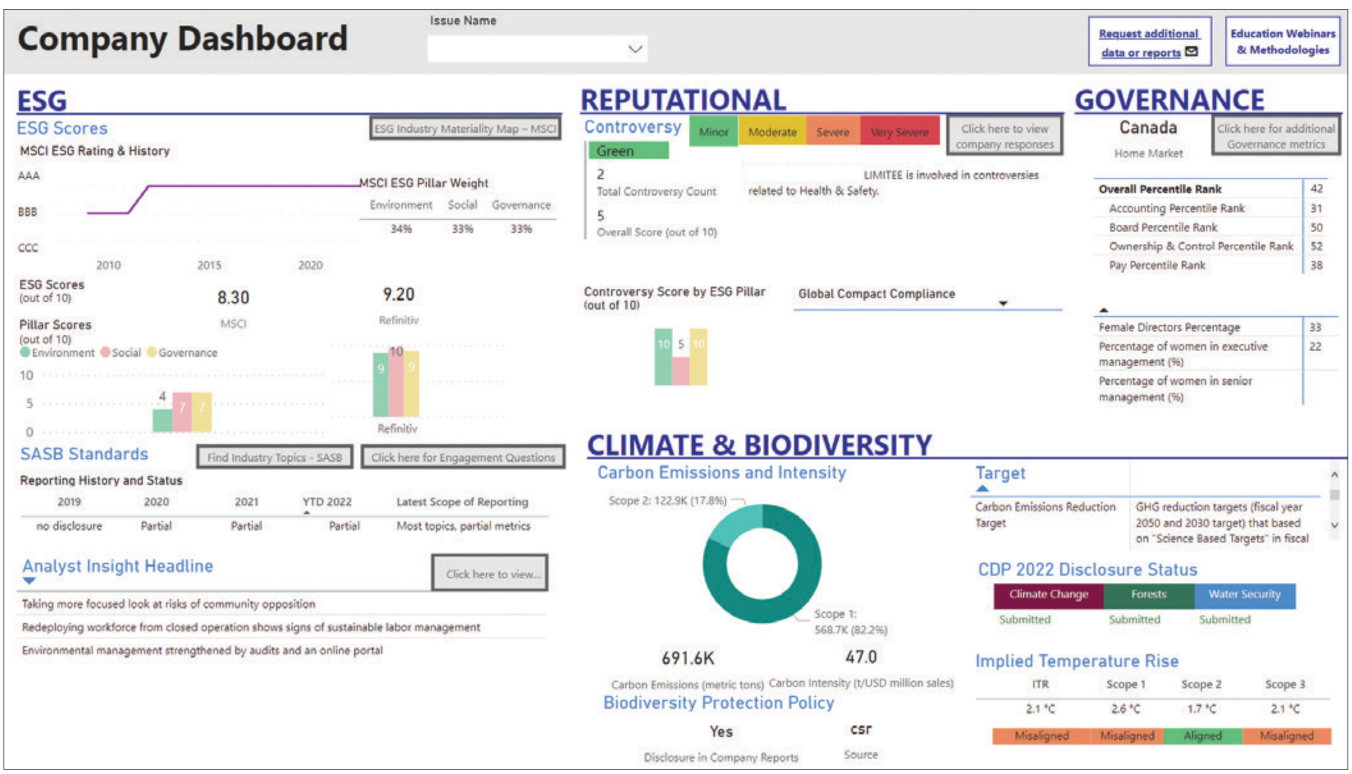
The working group developed the Hub in creating an intuitive data visualization tool that highlights both the ESG characteristics of a single company and portfolios, on an absolute and relative basis. The ability to decipher data efficiently and shape data to probe deeper is an important part of the monitoring of assets.

The Hub's company dashboard, as an example is divided into four main sections: ESG, Reputational, Governance, and Climate Change & Biodiversity. Each section is designed to assist with gaining high-level perspective for the company's exposure to ESG issues.

To enhance our stewardship activities, we have included industry-specific questions to consider when engaging with companies. The ESG Hub is also linked to pre-recorded education sessions that we collaborated with MSCI in 2022. This education material includes detailed decks and methodology documents across areas of ESG Ratings, ESG Controversies, Climate Change, Sustainable Impact, and Fund Ratings.

By providing a central source of ESG research, investment teams will be able to quickly and effectively view company-level ESG scorecards that can complement their ESG due diligence. The ESG Hub was presented to AGF's Senior Leadership in the fall of 2022 and will be rolled out in Q1 2023 to all investment team members.

In 2023, we are planning to generate new dashboards to the ESG Hub, including additional portfolio-level analysis. To ensure the tool remains useful and relevant to the investment teams, gathering ongoing feedback to improve its functionality will be a priority.



PRINCIPLE 8

Monitoring Managers and Services Providers

Signatories monitor and hold to account managers and/or service providers.

AGF delegates certain functions and some resources are shared across all affiliated entities. AGF monitors these service providers (which includes the AGF affiliates) to ensure that services are delivered to meet the organization's needs.

The firm has developed and implemented a Third-Party Vendor Risk Management Program ("The Program") to effectively monitor and evaluate the performance of third-party providers. The Program enables AGF to regularly assess the risks associated with each third party, understand the supplier relationship and related contracts, and have appropriate risk mitigation activities in place. By effectively managing vendor relationships, AGF is able to improve operational efficiency, reduce costs, manage risk, maintain compliance, and foster innovation.

The Program aims to ensures that third-party service providers:

- Use and maintain appropriate information security controls to comply with AGF's Corporate Information Security Policy.
- Have appropriate Business Continuity and Disaster Recovery practices.
- Undergo routine reviews and due diligence including SOC Report reviews, risk assessments and questionnaires.
- Risk management activities are performed annually to ensure the most strategic vendors, suppliers, and outsourced services are actively and consistently managed and receive the appropriate amount of due diligence throughout the third-party relationship lifecycle.

Continuous monitoring for service providers is a core component of AGF's Third Party Vendor Risk Management Program as it enables AGF to ensure that high-quality services are continuously provided and that such services meet the organization's evolving needs. This also ensures that any areas of weakness or improvement are readily identified and addressed.

AGF's relationship managers are required to proactively engage with third-party service providers on a regular basis. When a vendor's services are not meeting the needs or requirements of the organization, concerns are immediately communicated, and the relationship manager will work with the vendor to develop a plan to improve the quality of services provided. This involves identifying specific areas for improvement, setting performance metrics, establishing a timeline for improvement, and implementing a service improvement plan when necessary. Service providers are expected to address the underlying issue and work with AGF to implement a viable solution within a reasonable time frame.

When services are falling short and the response or the efforts made by the third-party vendor are not satisfactory, the issue will be escalated to a higher level of management within the service provider. If a satisfactory resolution still cannot be reached, or if recurring issues become a concern with certain vendors, alternative service providers that may better suit the organization's needs and requirements will be considered. When necessary, engaging with an alternative service provider will be explored and actioned in a timely manner to minimize any operational impacts,

AGF is satisfied with the quality and reliability of services provided by third-party vendors engaged during the reporting period and did not encounter any significant issues with the quality of services provided.

In addition to providing high-quality services that align with the organization's requirements, our third-party vendor's have contributed to continued successful operations by consistently demonstrating a high level of professionalism, expertise, and responsiveness to our needs. Any questions and concerns raised regarding the core services provided were addressed promptly and professionally, contributing to a positive working relationship.

The firm's proxy voting consolidator and ESG research providers are included in this program.

As part of our investment ESG due diligence we may leverage third party ESG providers. As an example, we subscribe to MSCI ESG Research, which provides our investment teams with overall company ESG ratings, along with access to underlying key ESG issue metrics and data. On an ongoing basis, we evaluate various ESG providers to further our understanding of evolving best practices and data availability. This due diligence process may consider an individual research providers' unique methodology, both internal and external datasets used, how materiality or exposure is assessed, analyst expertise, coverage, along with their quality assurance process.

As part of our ongoing efforts to improve our monitoring process, AGF is currently enhancing various components of our Third-Party/Vendor Risk Management program. These include formally incorporating ESG into the Third-Party Questionnaire and Assessment to validate and monitor third-party support of organizational strategic priorities.

Through our engagements, we have found inconsistencies at times with a company's ESG data and policies reported by external ESG ratings providers. In these instances, and as part of our ongoing monitoring, we have encouraged companies to engage regularly with ESG ratings providers to ensure accuracy of the information that is used to produce the company's ESG rating.

Separately, we have engaged with third party ESG consultants to support our corporate sustainability efforts and the Sustainable Finance Disclosure Regulation (SFDR). We engaged with these vendors to help us identify areas where we can improve our ESG policies and practices, along with providing us guidance on how to comply with the evolving regulatory ESG landscape.

By partnering with these external experts, we can tap into their specialized knowledge and experience in sustainability and ESG, and leverage their insights to enhance our own capabilities and processes. Our goal is to ensure that we are well positioned to meet the expectations of our stakeholders, including investors, regulators, and the wider community.

Although the criteria used varies depending on the specific scope of the project, in terms of selecting a final ESG consultant, considerations included:

- Relevant expertise and experience including their record of successes in working with organizations in the same industry, and in addressing similar ESG challenges.
- Comprehensive approach that covers relevant areas such as environmental impact, social responsibility, governance practices, risk management, and regulatory alignment.
- Alignment with our company values and demonstrated ability to work collaboratively to achieve shared goals.
- Record of supporting clients with improved ESG performance, enhanced stakeholder engagement and an alignment with best practices.
- Reasonable and competitive fees that represent fair value for the services provided.

Oversight of External Portfolio Advisors

The External Portfolio Advisor/Sub-advisor Oversight Committee provides oversight, monitoring and review for specific portfolio related processes and activities of third party and affiliated managers. Oversight is rigorously monitored to ensure risks from external partners is managed and mitigated, as necessary.

For sub-advisors for Canadian retail products, the reporting measurement system used is built by incorporating analysis of three major component areas: performance evaluation, firm level evaluation and compliance evaluation. Each component is weighted (50%, 30%, 20% respectively) into a final "score" which is then used to reflect the high-level indicator, i.e., green, yellow or red.

1. The performance evaluation component reflects fund performance, observations of risk levels and risk adjusted performance placing a bias on short and mid-term metrics (3 year and 5 year) to provide early warning to potential performance/risk issues.
2. The firm level evaluation component monitors adherence to investment style, corporate culture and the level of firm support to AGF.

The compliance evaluation component monitors regulatory adherence, performance monitoring and reporting, pricing and other compliance requirement.

Engagement

PRINCIPLE 9

Engagement

Signatories engage with issuers to maintain or enhance the value of assets.

AGF believes that integrating ESG issues into the investment management process has the potential to result in better-informed investment decisions. Engagement also provides the opportunity to create an open dialogue with the companies in which AGF invests. Further we believe that, in addition to our regular engagement with investee companies, our ESG engagement can have a positive impact on investment results and on society.

For further clarity, our Engagement Policy also addresses other important topics for engagement, including executive and board-level changes and compensation drivers, reporting and disclosure, proxy proposals, and other issues that can pose risks to the medium and long-term financial performance. Engagement with government, government-related and non-governmental agencies, policy strategists and other external research providers can add value to the engagement process that can potentially impact investment decisions.

Our approach is outlined in the **AGF Engagement Policy**.

Engagement Objectives

AGF's engagement objectives include a desire to deepen our understanding of the ESG issues that underpin a company's strategy or valuation, and to provide the opportunity for companies to better understand our investment process and objectives. Our engagement objectives are intended to add value for a broad set of investment portfolios and stakeholders.

AGF believes that companies that have strong ESG policies in place or are committed to improving them, are more likely to act in the best interest of all their stakeholders and are better positioned to deal with a variety of issues, such as non-financial risks and changing regulation. The focus is on long-term, financially material ESG issues that through engagement, can be addressed and affect companies' abilities to create value.

AGF's Approach

AGF focuses its engagement activities to include key ESG issues that are potentially material to a company's risk/reward profile, considering the significance of an investment and the expected contribution to long-term value creation from successful engagements. We view ESG as a long-term driver of change in markets, countries and companies, which impacts future performance. Individual companies and industries differ in their business practices and how they deal with different problems. Therefore, we focus on the most financially material issues that a company must address.

Key ESG Focuses

To help determine materiality, we use the industry-specific SASB standards, paired with the deep experience and knowledge of our analysts who may include other company-specific material ESG issues.

Environmental:

We engage with companies on environmental issues that are financially material to their business activities, including how operations are impacted by the environment and how the environment is impacted by their operations. Areas of focus may include climate risk strategy, carbon emission management, life cycle analysis, water management, waste reduction and biodiversity. Risk mitigation is also important for companies to prevent, prepare and manage unforeseen accidents regarding environmental damage caused by a company's operations, which can have detrimental operational and reputational impact.

Social:

We engage with companies on social issues that are financially material and those that may have a positive impact on society over time.

We seek to understand how a company is managing their social issues with all relevant stakeholders, which may include maintaining and improving its human capital management practices, including labour, human rights and health and safety policies, which if left unmanaged could potentially lead to increased turnover, workplace injuries, costly litigation and reputational damage.

Supply chain management is also critical as a company's policies can extend to its suppliers who may not have the same policies in place, particularly if they are in regions or countries where local laws and policies are less stringent.

Governance:

We engage with companies to understand how they are managing their governance issues and ensure we convey best practices in an effort to seek improvement, as strong corporate governance can enhance the stability and performance of a company and support its long-term strategy. Thus, we focus on important issues such as board accountability and quality, including board diversity.

Other areas of engagement may include whether board members have relevant and diverse industry experience and the appropriate supervisory skills required for a board to be successful. We may also engage on a company's corporate culture, its policies for risk management and oversight and executive pay, audit processes, and corporate disclosures.

Types of Engagement

Both the management and Board of an investee company are accountable for the company's long-term strategy and management of ESG issues. AGF's investment management teams interact with the company's management or Board as part of our fundamental research process. We undertake multiple interactions with a company via in-person meetings, email or telephone. As part of the changing work landscape during the pandemic, many meetings have taken place virtually. We have also observed an increasing trend towards companies offering ESG focused virtual events outlining the company's sustainability practices. These interactions provide our analysts and portfolio managers with additional insight into management quality, business drivers and company strategy.

ALBEMARLE CASE STUDY

About the Company

Albemarle Corporation's largest business segment is lithium. In this segment, the company engages in developing and manufacturing of basic lithium compounds. While lithium gets all the press, Albemarle is well diversified and has other strong segments in Catalysts and Bromine with solid prospects.

The Bromine Specialties segment consists of a bromine-based business that includes products used in fire safety solutions and other specialty chemicals applications. The Catalysts segment contain two product lines: clean fuels technologies, which is primarily composed of hydro processing catalysts, and heavy oil upgrading that comprises of fluidized catalytic cracking catalysts and additives.

Context of the Issue

We wanted to ensure Albemarle was managing its greenhouse gas emissions, including scope 3 emissions. In addition, we wanted to evaluate how well the company is managing and improving its water usage. Having a robust strategy around improved water usage, especially in regions experiencing immense water stress like in Chile where Albemarle has operations, is of importance from a sustainability standpoint.

Lithium has become an increasingly important element in the global energy transition. Recently the International Energy Agency projected that current demand could increase by 26-fold. There is a stable demand, and prices are expected to remain elevated to reflect the increasing demand for lithium over the coming years. This points to the importance Albemarle plays into decarbonizing electric vehicles entire value chain, particularly upstream Scope 3 emissions. We like to see reduction in-line with the IPCC's 1.5°C pathway by 2050. Water risk and the social implications of excessive water use are also important elements of our engagement with the company.

The Objective of Engagement & How We Engaged

We wanted to ensure Albemarle was managing and disclosing greenhouse gas emissions, including scope 3 emissions. The company has begun working to reduce emissions across its supply chain and used a third-party consultant firm, PwC Assurance, to verify its carbon accounting method to support a credible decarbonization strategy.

Another objective of our engagement with Albemarle centered around water risk in mining. How does Albemarle carefully assess and measure water withdrawals from rivers, lakes, and other sources? What methods is the company using to conserve water? Their stated objective is to reduce freshwater use intensity by 25% by 2030 in high water stress areas as defined by the Water Resource Institute (WRI). Given the water use in mining projects, this is a critical objective.

We engaged with the company to address the environmental concerns we had and to learn about the company's plans. We engaged through planned meetings and discussed their objectives around carbon intensity and water risk so to gauge over time how well the company is progressing. Given the complexity of these issues, we commit to engaging over a longer period and we will also seek meaningful short-term progress.

Result of the Engagement

The sustainability team at Albemarle responded to our questions and concerns about carbon intensity as well as water risk and its social implications. AGF Global Sustainable Growth Equity Strategy is mandated to be low carbon intensity. According to Morningstar's Portfolio Carbon Report, our investment strategy is 74% less carbon intensive (total emissions per revenue) relative to the MSCI World Index. The two primary areas of our engagement were carbon intensity and water.

Carbon Intensity
Albemarle's plan revolves around its catalyst and bromine segments, which accounts for more than half of its sales. The company's goal is to reduce its carbon intensity by 35% by 2030. The goal of Albemarle's lithium segment, which is growing rapidly, is to reach carbon-neutrality around 2030.

Scope 1 and Scope 2 emissions account for 35% of the company's overall emissions. Albemarle has worked to map out its Scope 3 emissions to help detail where it can be reduced in the short term. Currently the company is primarily focused on reducing Scope 1 and 2 across all business lines. We have reviewed the current goal and plan to have continued engagements to assess successes and areas of improvements.

Water Risk
Water risks can impact social risk, health, safety, and water stress in susceptible regions where freshwater may not be easily accessible. During our engagement with the company, we sought to gain additional insights on the management of water usage. The company explained that its original target was to reduce water intensity by 25% in Chile and Australia and is in the process of applying a global target.

Reflection on Outcome

It is evident that Albemarle's management is very aware of the environmental and social issues it is exposed to and has crafted a plan to better address these issues. The company has short-and long-term carbon emissions targets and a corresponding plan to support these targets. The company's water management initiative in water stressed regions is also being addressed. Albemarle also maintained a strong community relations initiative in Chile. Given its history of virtually no serious ESG controversies, we believe Albemarle is in a strong position to more effectively address these material ESG issues, particularly in reducing carbon emissions and improving water management.

We will continue to prioritize direct engagement with our investee companies as we believe this may lead to an enhanced understanding of the company's culture, the way it operates, and its relations with its stakeholders. As we continuously seek to refine and expand on our stewardship practices, we believe that engaging collaboratively with like-minded investors on certain ESG issues can sometimes lead to higher rates of success on certain outcomes.

PRINCIPLE 10

Collaboration

Signatories, where necessary, participate in collaborative engagement to influence issuers.

Collective Engagement Approach

AGF combines individual and collaborative engagement efforts to achieve the best possible engagement result. AGF recognizes that collaborative engagement opportunities alongside other institutional investors can be an effective way of promoting industry standards and best practices.

AGF is an active member of several collaborative engagement initiatives, including.

- Responsible Investment Association (RIA): AGF Investments Inc. is a sustaining member of the RIA, Canada's membership association for responsible investment. RIA Members include asset managers, asset owners, advisors, and service providers who support the mandate of promoting responsible investment in Canada's retail and institutional markets. RIA members collectively manage over $42 trillion in assets. AGF is an active member of the RIA Policy Stewardship Group, has a seat on the RIA Leadership Council, and regularly contributes to their education programs. Additionally, our Chief Marketing and Innovation Officer holds an elected seat on the RIA's Board of Directors and is the acting Secretary of its Executive Committee as well as member of the Board's Governance and Policy Committee.
- As part of AGF's focus on diversity, equity and inclusion (DEI), AGF was a founding signatory and is a supporting organization of the Canadian Investor Statement on Diversity & Inclusion, an initiative coordinated by the RIA. Signatories to the statement acknowledge the existence of systemic racism and its impacts on Black and Indigenous communities and People of Colour, while further acknowledging the existence of inequities and discrimination based on other factors including, but not limited to, gender, sexual orientation, age, disability, religion, culture and socio-economic status. The first year status report, released in 2022 can be found **here**.
  - o OUTCOME: As part of our commitment to furthering education on responsible investing, AGF annually sponsors the RIA Investor Opinion Survey which examines Canadian investors' attitudes toward various responsible investing themes and topics. The release of the survey includes a robust amplification campaign including press release, social media and webcast events to share findings and generate media coverage. 2022 Investor Survey results can be found **here**.
  - o AGF also sponsors RIA's Canadian RI Trends Report tracking responsible investments in Canada including RI AUM, asset allocations, policies and practices within organizations, and ESG factors. The release of the report again includes a robust amplification campaign including press release, social media and events to share findings and generate media coverage. The 2022 Canadian RI Trends report can be found **here**.
  - o In addition, as a member firm AGF has provided input and guidance on several regulatory comment letters submitted by RIA. As an example, RIA comments to the ISSB (International Sustainability Standards Board) on Exposure Draft IFRS S2 Climate-related Disclosures can be found **here**.
- Principle for Responsible Investment (PRI): As a signatory of the PRI since 2015, AGF Investment Inc. has made a commitment to incorporate ESG into our investment decision-making processes and stewardship activities, along with reporting on our responsible investing activities. Since becoming a signatory, we have participated in regular PRI assessments of our responsible investment activities.
  - o OUTCOME: In 2022, the PRI took a reporting gap year to focus on deeper engagements with their signatories on reporting practices. As part of this engagement, we actively participated in PRI-facilitated peer discussion sessions on responsible investment practices, including through focused sessions on public equities, fixed income, and climate change. These sessions have allowed us to both share best practices and learn from our peers in the industry.

- Climate Engagement Canada (CEC): In 2021, AGF became a founding participant in CEC, a finance-led initiative that aims to drive dialogue between the financial community and Canadian corporations to promote a just transition to a net zero economy. The CEC is led by several investor networks including the RIA, Shareholder Association for Research and Education, Ceres and PRI.
  - OUTCOME: In 2022, we began coordinating with member investors to determine and set a plan for initial company outreach. As part of the planning phase, and one of the key initiatives undertaken by the CEC in 2022, is the drafting of the CEC Net Zero benchmark, which was made public to gather feedback and support from participants. The benchmarking process, based on the principles of Climate Action 100+, seeks to better define and measure company performance against key indicators. Through benchmarking, companies and investors can better understand their environmental impact and take steps to align their business strategies to limit global temperature rise to 1.5°C. As a signatory to Climate Action 100+ we believe that benchmarking is a crucial step in creating a transparent framework to encourage companies to adopt more sustainable practices.
  - Looking ahead to 2023, we will continue to work with CEC members to engage as both lead and supporting investor to further promote sustainable business practices for the focused companies under coverage. Our engagement activities will seek to better understand how companies are aligned to the principles of the CEC.
- CDP Signatory: AGF Investment Inc is a signatory of CDP, a not-for-profit that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts. CDP is committed to a thriving economy that works for both people and the planet long term. In 2021, we joined the CDP's Science-based Targets campaign, which calls on the world's highest impact companies to set science-based emissions reduction targets in line with 1.5°C warming scenarios. Science-based targets are a crucial step towards achieving net-zero emissions. By setting these targets, companies can align their business strategies with the Paris Agreement's objectives and contribute towards global efforts to address climate change.
  - OUTCOME: Despite the increase in the number of companies disclosing their environmental data through the CDP, we believe that there is still room for improvement in the disclosure of targets and emissions-level data, particularly for scope 3 emissions. Scope 3 emissions represent a sizable portion of a company's carbon footprint, covering emissions that occur in its value chain. To complement our direct company engagements, in 2022 we recommitted and joined 318 financial institutions and multinational firms, a 30% increase since 2021, to support the 2022 CDP Science-Based Targets campaign. The campaign targeted 1,000 companies worldwide, including 48% based in the Asia Pacific region.
- Ceres Investor Network on Climate Risk (INCR): As a member of The Ceres Investor Network on Climate Risk and Sustainability, AGF engages and collaborates on environmental, social and governance issues to advance leading investment practices, corporate engagement strategies and policy solutions.
  - OUTCOME: Through our participation in both the Climate Action 100+ and Ceres Paris Aligned Investment Working Group, we are engaging in ongoing dialogue with both investors and companies.
  - As a co-lead investor to Climate Action 100+, we continued our engagements with Cummins in 2022:

About the Company

Cummins Inc. is a multinational Fortune 500 company, serving customers worldwide in the areas of engines, power generation, components, and distribution. Cummins is a global leader in powertrain technology for commercial mobility and power applications. The company's engines are renowned for their fuel efficiency, and low emissions. They are found in long-haul trucks, buses, light-duty vehicles, and heavy equipment for construction, agriculture, and mining.

Cummins recently introduced a new fuel-agnostic engine platforms which will feature a series of engine versions that are derived from a common base engine, which means they have a high degree of parts commonality. This new platform also addresses their decarbonization plans, an attractive feature of its new engine among clients.

Cummins is a core holding of the AGF Global Sustainable Equity Strategy, and is currently classified in the Emissions Control subtheme, which falls under the macro theme called Circular Economy & Pollution Abatement.

Context of the Issue

Cummins has had a relatively large carbon intensity, among the highest across all holdings in the AGF Global Sustainable Equity Strategy. Through our engagements with the company, we wanted to ensure that this issue was being addressed. Through our engagements we explored themes such as what was the company doing to decarbonize its operations, and to reduce the carbon footprint associated with the engines it manufactures and distributes.

Through our engagements, we learned that Cummins is engaging with customers to lower the energy and carbon intensity of its plants and the framework is currently being formalized. Cummins also is aligning its business to meet stringent climate change goals and developed the Destination Zero 2050 initiative to reduce greenhouse gas emissions and improve air quality impacts of its products.

The company has vastly improved in providing a low-emissions solution. Recently, in 2022, Cummins built a new fuel-agnostic engine platform that can operate using diesel and clean hydrogen. As clean hydrogen (i.e., green/blue hydrogen) scales up, we believe the company's carbon intensity will continue to decrease meaningfully.

The Objective of Engagement & How We Engaged

The objective of our engagement was centered on greenhouse gas reduction across Scope 1, Scope 2, and Scope 3, and to improve the company's environmental footprint in terms of water use and generated waste. We also discussed best practices for improving disclosures around carbon and environmental intensity.

Climate Action 100+ was initiated in December 2017 to engage 166 high-emitting companies that are systemically important in the transition to net-zero emissions by 2050 or sooner. More than 615 investors, responsible for over $55 trillion in assets, are now signatories to the initiative. Climate Action 100+ commenced with three high-level objectives for focus companies: action on greenhouse gas emissions across the value chain; improved climate change governance; and reporting consistent with the Task Force on Climate-related Financial Disclosures (TCFD).

Cummins has been included within the initial scope of this initiative based on its level of greenhouse gas emissions as reported by CDP, relative to a number of benchmarks including peer companies. As such, we started our engagement with Cummins, generally holding bi-annual meetings with company representatives to introduce the initiative, improve our understanding of company's decarbonization efforts and associated challenges, and encourage an ambitious plan to address emissions impact. We are now aiming to accelerate our engagement and support the transition to a net-zero future.

What the result of the engagement was

Being a member of the Climate Action 100+, Cummins has illustrated that it is willing to adapt and modify its business practice and operations to meet decarbonization objectives. As an example, the company has recently met the criteria for setting medium term (2026 to 2035) greenhouse gas reduction targets. When creating sector-based initiatives for decarbonization, Cummins took some of the collaborative investor groups recommendations into consideration.

The company adopted the Advocate, Align, Allocate (AAA) strategy in early 2022 to assist its lobbying efforts for climate change, participate in industry associations, and promote a climate change-aligned focus in all associations.

In addition, the company is planning to increase transparency in emissions, action, pathway, inputs such as capital expenditure, an extremely important metric in putting forth robust decarbonization plans, as well as any progress where possible.

Reflection on outcome

Through ongoing refinement of its decarbonization strategies and transparency, Cummins is positioned to, perhaps quite vastly, improve its downstream carbon and environmental footprint.

In the coming years, we believe that the company will continue to work on reducing the carbon impact of its core products and bring to market the low-carbon technologies that could continue to power the future.

We hope that Cummins will continue down the path of improved sustainability practices through the company's leadership and execution, government and regulatory relations management, and customer engagement. We believe the company can be an integral part of the energy transition and mobility solution through diversified offerings, scaling technologies, and providing the input, planning insight and infrastructure necessary for industry adoption.

PRINCIPLE 11

Escalation

Signatories, where necessary, escalate stewardship activities to influence issuers.

AGF strives to continuously engage with companies where there are ESG concerns, with the understanding that this process can occur over many years.

A lack of responsiveness by a company can be addressed by seeking collaborative engagement, sharing written concerns, and can lead to adverse proxy voting instructions on related agenda items at shareholder meetings. Divestment can be a last resort if a company does not improve its ESG profile after ongoing engagement.

Issues may be selected and prioritized according to firm-level sustainability topics set by AGF's Sustainability Council, including gender and climate issues, and integrated with individual investment team topics and objectives. Engagement issues also differ by industry. For example, Utilities, Energy and Materials, tend to have higher greenhouse gas emissions, and thus, climate issues will often be prioritized. Objectives are set by each investment team and analyst, which form a basis for engagement, monitoring, follow-up and escalation. Apart from set objectives, companies' performance is monitored on an on-going basis against acceptable company policy, sustainability targets, industry practices and international standards.

When voting proxies, and specifically when voting against management on certain issues such as gender diversity, our approach is to engage with management first to understand the context behind the company's stance. For example, on several occasions, we set up meetings with management prior to the proxy vote to engage on the company's diversity policies. We made our intentions clear to hire more females and have a broader, and more diverse Board of Directors and senior management team, and that we intended to vote against management if the improvement in diversity was not satisfactory over a reasonable period. Escalation on various issues can differ by geography. One example is diversity. From our experience, we have found companies in the emerging markets tend to lag companies in developed markets regarding diversity issues. When we have escalated diversity issues in the past, companies tended to be domiciled in Asia.

In 2023, and as part of a broader focus on enhancing our engagement program, including increasing dedicated resources, we will be further exploring an enhanced framework of engagement escalation and in which instances it will be applicable.

Exercising Rights and Responsibilities

PRINCIPLE 12

Exercise Rights and Responsibilities

Signatories actively exercise their rights and responsibilities.

As an asset manager, AGF has an obligation to act in the best interests of the accounts that it manages, including segregated client accounts and investment funds. This obligation includes exercising the voting rights attached to securities in the portfolio of each client account. As such, AGF will exercise the voting rights of the clients in the best interests of the portfolio and with a view to maximizing positive economic effect of shareholder value.

AGF believes responsible corporate governance, social and environmental practices may have a significant effect on the value of the company and, as such, has incorporated these principles into the proxy voting analysis.

Proxy Voting Committee

The Proxy Voting Committee is comprised of designated individuals from each of Legal, Compliance, Investment Operations, Investment Management, Marketing, a member of the Office of the CIO, Head of ESG and a member of the ESG Committee.

The Proxy Voting Committee convenes on an ad hoc basis to consider the proposed votes in respect of the ballot of a conflicted security. The Proxy Voting Committee also convened quarterly to consider situations where AGF portfolio managers have voted inconsistently on the same ballot and annually to review published rationales in situations where AGF: (1) votes against the Board; (2) votes against shareholder resolutions (3) withholds from voting; and (4) does not follow the AGFI Proxy Voting Guidelines. Please see Principle 3 for additional details on our Proxy Voting Committee, along with our process on conflicting votes.

Monitoring of Voting Rights

AGF performs daily reconciliations to compare custodial positions against the number of ballots recorded by ISS. All discrepancies are immediately investigated and rectified. AGF has processes in place to ensure that it is notified if a meeting requires a manual election or a meeting remains unvoted by the cut-off date.

Proxy Voting Policy

It is AGF's policy to exercise the voting rights in the best interest of our clients to maximize positive economic effect on shareholder value. AGF believes responsible corporate governance, social and environmental practices may have a significant effect on the value of the company and, as such, has incorporated these principles into the proxy voting analysis. Responsibility for proxy voting has been delegated to the portfolio manager, and each is required to vote in a manner consistent with AGF's Proxy Voting Policy. The intention of AGF's Proxy Voting Policy is to provide a framework for each portfolio manager to ensure a disciplined and consistent approach to voting and not to dictate precisely how each ballot item must be voted in every circumstance. Where not specifically addressed in AGF's Proxy Voting Policy, the portfolio manager shall vote the securities at its discretion in the best interest of clients, with an aim to maximize positive economic shareholder value.

Proxy Voting Guidelines

AGF has retained Institutional Shareholder Services ("ISS") to provide in-depth research, voting recommendations, vote execution, recordkeeping, and reporting. ISS offers proxy voting solutions to institutional clients globally. AGF has elected to follow the ISS Sustainability Proxy Voting Guidelines (the "Sustainability Guidelines"), because AGF believes responsible corporate governance, social and environmental practices may have a significant effect on the value of the company. AGF's Proxy Voting Guidelines (the "AGF Proxy Voting Guidelines") generally mirror the Sustainability Guidelines, but may deviate from the Sustainability Guidelines where AGF, at the firm level, has decided to take a different approach to the proxy circular matters. The AGF Proxy Voting Guidelines serve as a framework but cannot contemplate all possible proposals with which a client may be presented. In the absence of a specific guideline for a particular proposal, the portfolio manager will evaluate the issue and cast the client's vote in a manner that will maximize the value of the client's investment.

Each portfolio manager will ensure securities are voted in accordance with the AGF Proxy Voting Guidelines or in conjunction with the proxy voting policies and guidelines of the client (see Client-Directed Proxy Voting), as may be required. In evaluating proxy proposals, AGF portfolio managers will consider information from many sources including, but not limited to, research and recommendation provided by ISS, the investment management team, continuing engagement with the issuer and management or shareholders of a company presenting a proposal. Where an AGF portfolio manager deems it in the best interest of clients to deviate from the AGF Proxy Voting Guidelines, a rationale for the decision must be provided. This rational is disclosed in AGF's proxy voting records available **here**.

Client-Directed Proxy Voting

Segregated client accounts managed by AGFIA may elect to have AGFIA vote proxies at its discretion or in accordance with the proxy voting policies and guidelines of the client. Each client is responsible for providing their policies and procedures on a timely basis in the event AGFIA is contractually expected to comply with the client's policy. AGFIA will, as part of the compliance certification process of its clients, certify that it has read and understood the proxy voting policy of the client and that ballots voted were voted in accordance with such policy where applicable.

Securities Lending

To allow for proxy voting for securities that have been loaned by AGF investment funds, AGF will recall all these securities on or before the record date to ensure vote eligibility. On a monthly basis, AGF reviews all proxies for securities on loan that have been voted and provides an explanation for instances where a vote was missed.

Where a segregated client has elected to participate in securities lending, AGF is not responsible for an inability to vote a ballot where the client's custodian has not caused the delivery of the ballot with sufficient time for AGF to assess and to vote.

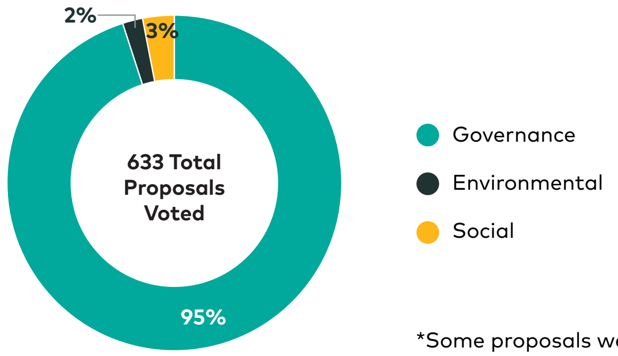
Proxy Voting Reporting

AGF maintains annual proxy voting records for all clients it manages with voting rights to proxy ballots. Such records may be maintained on AGF's behalf by service providers (ISS). AGF has in place adequate control procedures to ensure completeness and accuracy of such records. AGF uses a Share Materiality Report which is a reconciliation between our vendor ISS and the custodian. This report will identify if there are any data breaks with the proxy ballots. For listed equities AGFIA has voted on 100% of votable ballots for the reporting period. AGFIA does not manage any Fixed Income Assets.

AGF's proxy voting records will include the voting rationale in the following situations: (1) there was a vote against the Board; (2) there was a vote against shareholder resolutions; (3) a vote is withheld and (4) the vote does not follow the AGF Proxy Voting Guidelines. The Proxy Committee will review proxy voting reporting in these instances prior to dissemination. We are also working on a process for tracking outcomes of resolutions we have voted on and will disclose these efforts in future years reports.

In 2022, AGFIA voted 100% of meetings at which AGFIA was eligible to vote. AGFIA voted on 633 individual proposals, representing 100% of eligible proposals. The majority of proposal issues were centred on governance, making up 95% of the ballots. Social issues consisted of 3% of the ballots and environmental issues the remaining 2%.

ESG Proposal Breakdown



*Some proposals were included as part of multiple ESG Pillars

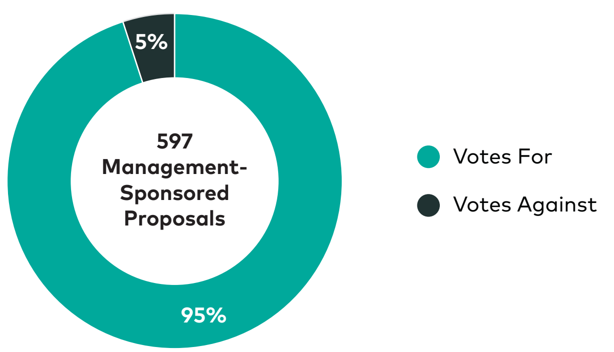
Votes on Management and Shareholder Proposals

AGFIA voted against 5% of management sponsored proposals.

Example: Exxon Mobil Corporation

AGF voted against management on several shareholder proposals regarding the introduction of additional disclosures regarding environmental impacts, as further disclosure would allow shareholders to better assess the company's management of associated financial, environmental, and reputational risks.

Management – For and Against

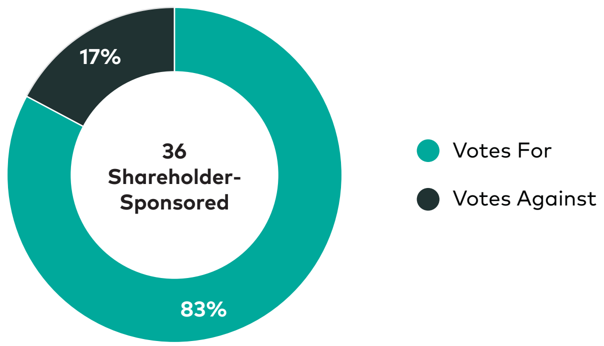


AGFIA voted against 17% of shareholder sponsored proposals.

Example: Microsoft Corporation

AGF voted against inclusion of a report on the cost/benefit analysis of Diversity and Inclusion proposed by shareholders as it is not standard industry practice for a company to disclose a detailed cost-benefit analysis of its diversity and inclusion efforts, and we felt Microsoft currently provides shareholders with sufficient information to assess its diversity and inclusion efforts.

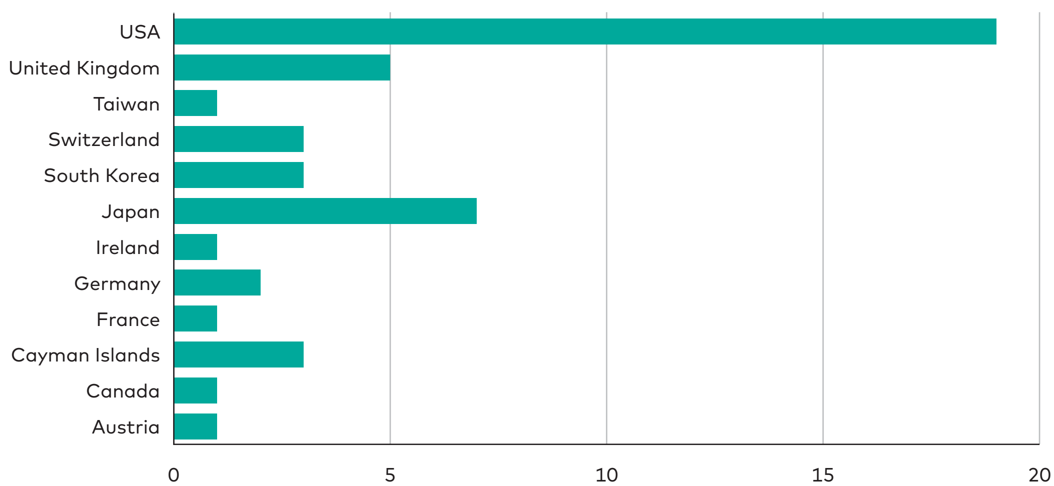
Shareholder – For and Against



Regional Voting

Approximately 66% of all votes were from companies based in North America and Europe. With Asia (Japan, Taiwan and South Korea) making up approximately a quarter of the votes. The remaining votes were cast in the Cayman Islands.

Total Number of Meetings Voted by Country



AGFIA's policy, approach and guidelines are addressed in the Proxy Voting Policy available **online**.