Sustainability Report 2023

RPIA
Global Fixed Income Experts

RPIA

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EXECUTIVE SUMMARY

RPIA is an investment management firm, independently owned by employees and specializing in global fixed income strategies. The firm was founded in 2009 by experienced investment professionals who have extensive international debt market expertise and over the past 14 years has grown to over 100 team members. At the end of 2023, RPIA was managing approximately $9 billion of assets for institutions, high-net-worth individuals, and investment advisors.

As stewards of our investors' capital, we believe sustainability considerations are a vital component of our investment philosophy and our business. In 2023, we refined and shaped our actions related to how we assess Environmental, Social, and Governance (ESG) factors and how they play a critical role in defining risk and opportunities - both for invested capital and for RPIA as a firm. In this 2023 Sustainability Report, we are proud to report on the enhancements and reinforced practices that are important to our role as an employer and our role as an asset manager.

Our Role as an Employer: RPIA's Efforts on Sustainability

- **Supporting Our Community and Our Industry:** In addition to our charitable giving, we evolved the RPIA ACE Scholarship and Internship Program.
- **Continuing Our DEI Journey:** We continue to foster and promote a diverse, equitable, and inclusive workplace. Dannielle Ullrich was appointed as the firm's "DEI Lead."
- **Climate Impact:** We continue to track and manage our greenhouse gas (GHG) inventory and achieved BMO Radicle's Climate Smart Certification for the second year in a row.

Our Role as an Investment Manager: Sustainability and The Investment Process

- **ESG Integration:** In 2023, we continued to consider and assess ESG risks and opportunities within our investment process.
- **ESG Stewardship:** We identified numerous opportunities for engagement across sectors and geographies.
- **Governance & Oversight:** Our approach to maintaining ownership and oversight of RPIA's ESG practices includes efforts by the ESG Steering Committee, Investment Committee, and Risk Committee, supported by the firm's Principals.

We are proud of our progress, and eager for the future. If you would like to discuss our approach to sustainability within the firm and our investment process, please feel free to contact us at investors@rpia.ca.

INDUSTRY & COMMUNITY COMMITMENTS

We value the opportunity to support and formally commit to organizations that align with our goals and provide forums for thoughtful discussions on evolving topics and initiatives. We seek to identify industry organizations that provide our firm and employees the opportunity to amplify our voice through collaborative action. We are proud to be members of:

Standards & Regulations

Signatory of: PRI Principles for Responsible Investment

UN Principals for Responsible Investing

TCFD Task Force on Climate-related Financial Disclosures

FSB Task Force on Climate-related Financial Disclosures*

SASB

The Sustainability Accounting Standards Board

CCGG

Canadian Coalition for Good Governance

CLIMATE ENGAGEMENT CANADA

Climate Engagement Canada

Cultural Enrichment

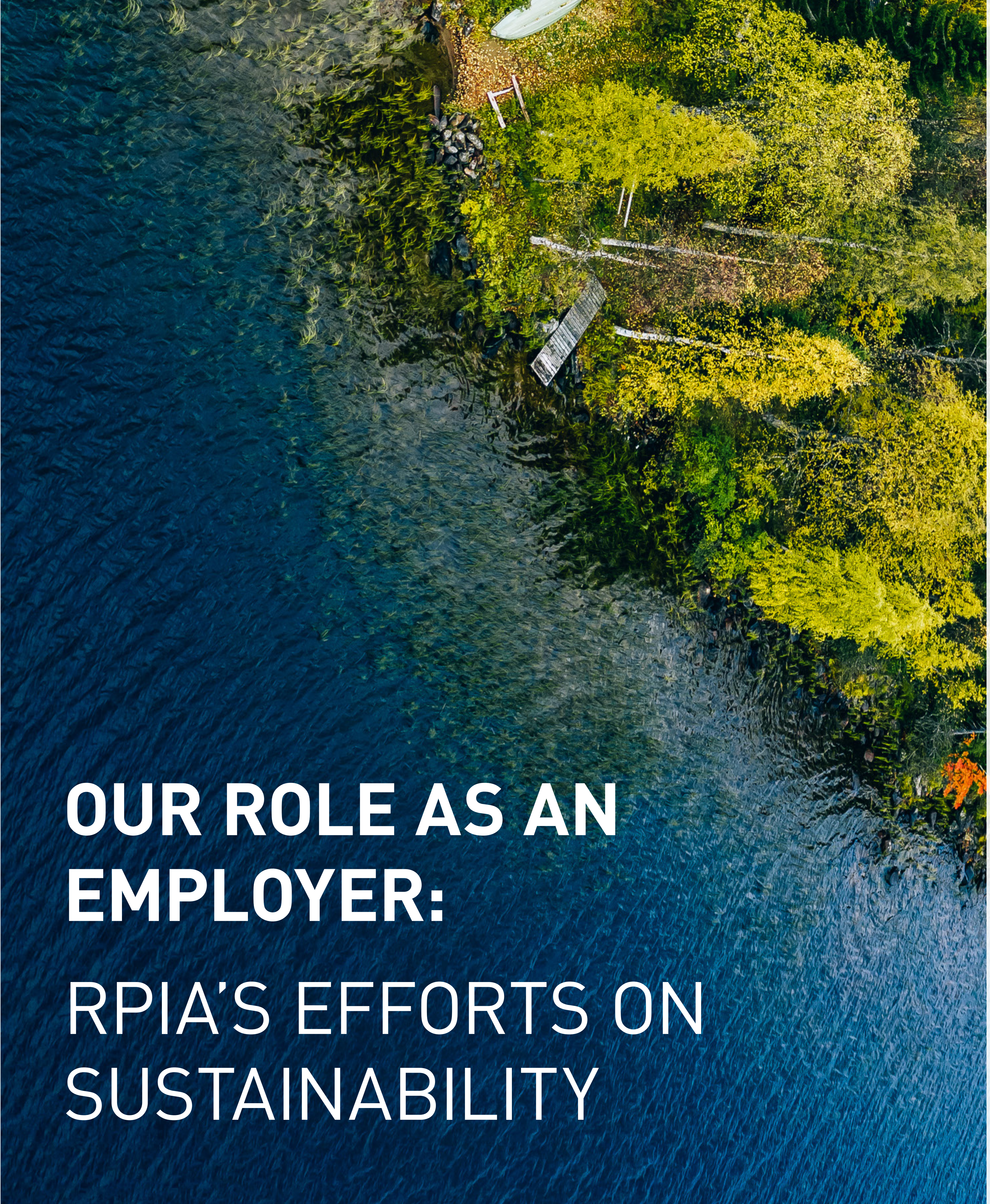
WCM WOMEN IN CAPITAL MARKETS

Women in Capital Markets

United Way Greater Toronto

United Way ILEO Charter

Please see our TCFD Report to read more about RPIA's efforts in these areas.



OUR ROLE AS AN EMPLOYER:

RPIA'S EFFORTS ON SUSTAINABILITY

In This Section:

The following information covers RPIA Fiscal Year 2023, which is from **June 1st, 2022 - May 31st, 2023**.

SUPPORTING OUR EMPLOYEES

RPIA's Employee Engagement Efforts

Our employee engagement efforts are purpose driven. RPIA seeks to empower and inspire employees to continuously grow in their professional and personal lives.

We believe that employee engagement is an ongoing process that requires a supportive and attentive organizational culture. RPIA seeks to foster this culture by setting employee feedback as the cornerstone of its current and future engagement efforts. Beyond listening, RPIA engages employee feedback by providing opportunities for employees to launch or re-orient internal initiatives, aligning, and/or joining industry organizations that promote the firm's engagement priorities.

In line with our commitment to community engagement, RPIA's Allyship Committee champions volunteerism, social activism, and meaningful community involvement. Open to all RPIA employees, the Committee hosts activities and events aimed at deepening our impact and fostering inclusive thinking, both in the workplace and in our everyday lives.

Investing in the personal and professional development of our employees is an essential component of RPIA's values. RPIA aims to live this belief by providing opportunities for ongoing learning and education, exposure to different practice areas within the firm, and access to additional resources, both internal and external, across all levels of seniority.

RPIA's core values of excellence, partnership, transparency, integrity, and community underpin its employee engagement efforts. We are proud to share our progress and future areas of focus as we continue to embed these core values in all of our work here.

Our Journey

Career Pathways

2023 Progress: Identifying Key Competencies	2024 Goals: Employee Development Plans
• In FY2023, we laid the groundwork for our formalized employee development strategy by conducting an in-depth analysis of our current skills landscape. • This included gathering feedback from leadership and employees to understand the key competencies required for success across various roles. • We also began the initial phase of identifying function-specific competencies, setting the stage for a comprehensive framework that will be rolled out in FY2024.	• The upcoming year will focus on the comprehensive mapping and integration of core competencies across all levels of the organization. This framework will be pivotal in creating a fair and transparent development process. • Our approach will also include the rollout of tailored development plans designed to support employees and enhance their contributions to the overall success of the firm. • Our aim is to implement a robust learning and development strategy, featuring a diverse array of opportunities including custom, internally-developed programs tailored to meet the specific needs of our workforce.

Connected Communications

2023 Progress: The RP Roundup	2024 Goals: A Multi-Channel Approach
• In FY2023, we successfully launched a company-wide employee newsletter, the RP Roundup, which has quickly become a central hub for sharing updates on internal initiatives, including social events, volunteer activities, and wellness programs. • The newsletter has also served as a platform to celebrate special occasions in an employee's life as well as significant cultural celebrations. • This initiative has already begun to strengthen connections across teams and improve overall employee engagement.	• Building on the momentum from FY2023, we will further refine our approach by focusing on integrating more interactive elements to our internal communications strategy to encourage greater employee participation. • Additionally, we will enhance our monthly townhall format to provide more comprehensive firm updates and foster a stronger sense of community. • To further promote transparency and alignment across the firm, we will strengthen our how we share important updates and changes throughout the organization.

RPIA is a "Great Place To Work"!

2023 Progress: GPTW Certified	2024 Goals: Implementing Feedback
• In FY2023, we undertook the Great Place to Work ("GPTW") survey and subsequently we pursued and were awarded the GPTW Certification. • As part of this process, we reviewed the firm's top strengths and areas of improvement with all employees in an effort to ensure transparency across our organization.	• In FY2024, we anticipate undertaking the Great Place to Work survey, with the intent of including updates based on our past learnings. • Over the coming years, we aim to incorporate the feedback we receive from the certification process to help inform and further develop our engagement efforts and our process to establish and update employee-facing policies.

ENGAGING WITH OUR COMMUNITY

At RPIA, we believe in giving back to the community. Our mission is to facilitate charitable giving within our organization and the broader community by working collaboratively with our investors, employees, and community partners. Our focus areas include:

Empowering Our Communities
Provide resources and support necessary to empower individuals and their broader communities to grow and prosper

Enhancing Quality of Life
Improve well-being and stability through better access to resources and opportunities that can facilitate better quality of life.

Fostering Diversity, Equity & Inclusion
Address systemic barriers that limit opportunities for marginalized groups and promote fair, equitable, and inclusive decision-making.

2023 Update

In FY2023, we established the official **RPIA Donations Committee**, which is comprised of six Principals and chaired by the CEO. These individuals are responsible for driving the firm's charitable giving initiatives in a thoughtful and impactful manner – both for the firm and the benefiting communities. The Committee meets monthly and has implemented a formal approval process for reviewing philanthropic requests and ensuring adherence to our mission and three areas of focus.

Charitable Giving

Empowering Our Communities

- ART & CULTURE
- CHILDREN & YOUTH
- IMMIGRATION
- INDIGENOUS COMMUNITIES
- JEWISH COMMUNITIES
- LOCAL COMMUNITIES
- SPORTS

Enhancing Quality of Life

- EDUCATION
- ENVIRONMENT
- FOOD SCARCITY
- HEALTH CARE
- HEALTHCARE RESEARCH
- HOUSING SECURITY
- MENTAL HEALTH
- WATER & SANITATION

Fostering Diversity, Equity & Inclusion

- CIVIL RIGHTS
- HUMAN RIGHTS
- LGBTQ+
- RACIAL EQUITY
- WOMEN'S RIGHTS

RPIA ACE Program

First launched in 2022, the RPIA Academic and Community Empowerment (ACE) Program aims to provide a wealth of opportunities to disenfranchised groups through academic and community driven initiatives. The program strives to support the next generation of leaders from all backgrounds in Canada through scholarships, internships, and mentorship. As a firm, we are committed to empowering and nurturing the potential in our community, and doing our part to improve access to the industry in which we operate.

Scholarships

RPIA ACE Scholarship in Rotman Commerce at the University of Toronto (UofT)

The inaugural ACE Scholarship Recipient was Onome Gbinije, a fourth-year student at UofT.

"I don't take for granted the impact of every opportunity I experience because I know that the most crucial investment I can make is in myself. Every opportunity, no matter how small, has the potential to shape my life in profound ways as I learn and grow. By investing in myself and embracing these experiences, I can unlock my full potential and achieve my greatest aspirations."

Onome Gbinije
RPIA ACE Scholarship Recipient (2023) from the University of Toronto

We can't wait to see where Onome goes next in her career, and are honored by the opportunity to support her professional development.

RPIA ACE Finance Award for BIPOC Students at the University of Victoria

In addition to our UofT scholarship, RPIA has pledged $5,000 CAD per year for a non-renewable award for a third- or fourth-year undergraduate student who self-identifies as Black, Indigenous, or a Person of Colour (BIPOC). The student must have a minimum GPA of 3.0 to be eligible and demonstrate an interest in pursuing a career in the financial industry. Preference will be given to students with financial need.

Internships

In 2023, we welcomed our first cohort of ACE Internship students, including Kevin Roe, who is a third-year student at the UofT. We look forward to working with further ACE program interns in the future, building on Kevin's experience.

"The best thing about my internship was the opportunity to look at different companies and learn how to evaluate them from a credit perspective. Everyone at RPIA was always open to answering all my questions and willing to take the time to explain certain concepts comprehensively."

Kevin Roe
RPIA ACE Summer Intern 2023

"Giving back to the community has always been an important part of our culture, and supporting these young professionals and future leaders as they begin their careers is truly rewarding."

- Richard Pilosof
Principal & CEO

OUR DIVERSITY, EQUITY & INCLUSION JOURNEY

At RPIA, we are dedicated to fostering and promoting Diversity, Equity, and Inclusion ("DEI") in our workplace as we believe including diverse perspectives is essential for making high-quality business decisions. We celebrate and welcome our employees, stakeholders, and external personnel to support our mission to cultivate diversity, equity and inclusion across our organization. We are thrilled that Dannielle Ullrich, Principal, Chief Financial and Operating Officer serves as RPIA's DEI Lead.

We recognize that DEI efforts extend beyond gender alone and encompasses a wide spectrum of identities, experiences, and abilities. Our DEI-focused policy defines our commitment to fostering an atmosphere of dignity, respect, and safety for our employees, stakeholders, and external personnel. This policy challenges us to be a leader in adopting established industry best practices in the areas of diversity, equity and inclusion, and to take a consultative, thoughtful, and impactful approach to evolving our DEI policy and practices over time.

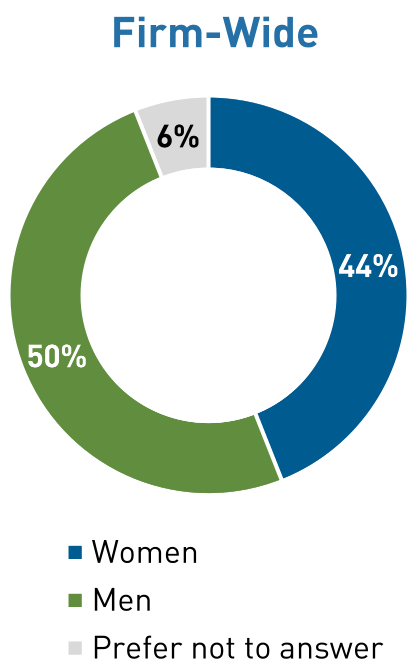
Measuring Representation

Women in the Workplace

RPIA is committed to ensuring its hiring practices can evolve and adapt to the growing demands of its business and position the firm to prioritize and take advantage of the increasingly diverse pool of talent.

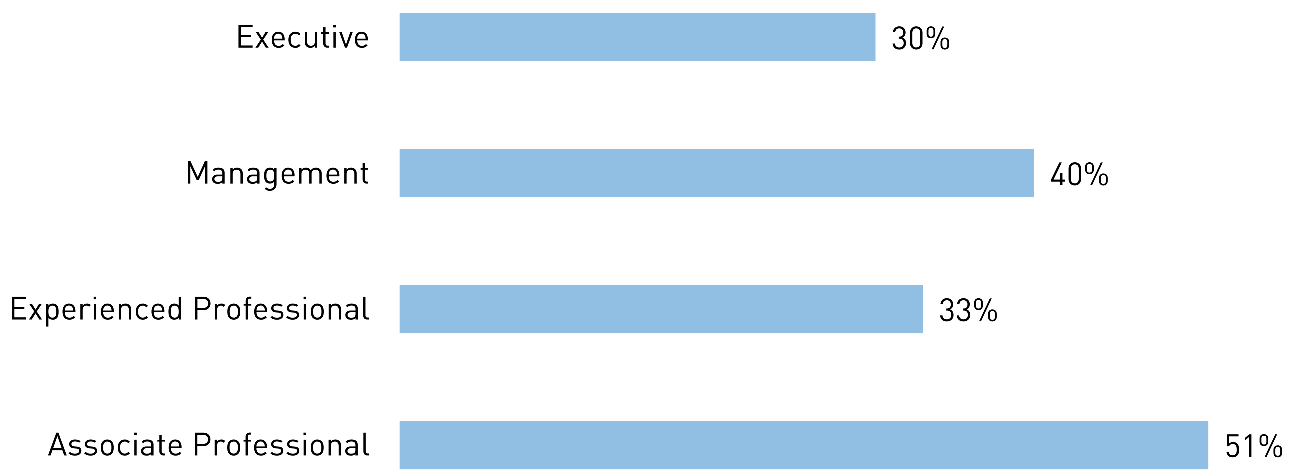
As a voluntary signatory to the 30% Club, and member of the Canada Chapter, RPIA is aligned with the organization's aims, and seeks to achieve beyond 30% representation of all women in the firm's decision-making bodies. We believe our effort to align with the 30% Club not only strengthens the representation of women within our leadership, but also fosters a more inclusive culture, promotes diverse perspectives, and enables inclusive decision-making. This effort cultivates a supportive environment that benefits all employees.

"We seek to ensure there is balanced representation in key decision-making discussions regarding the strategic direction of the firm."
- Dannielle Ullrich, DEI Lead

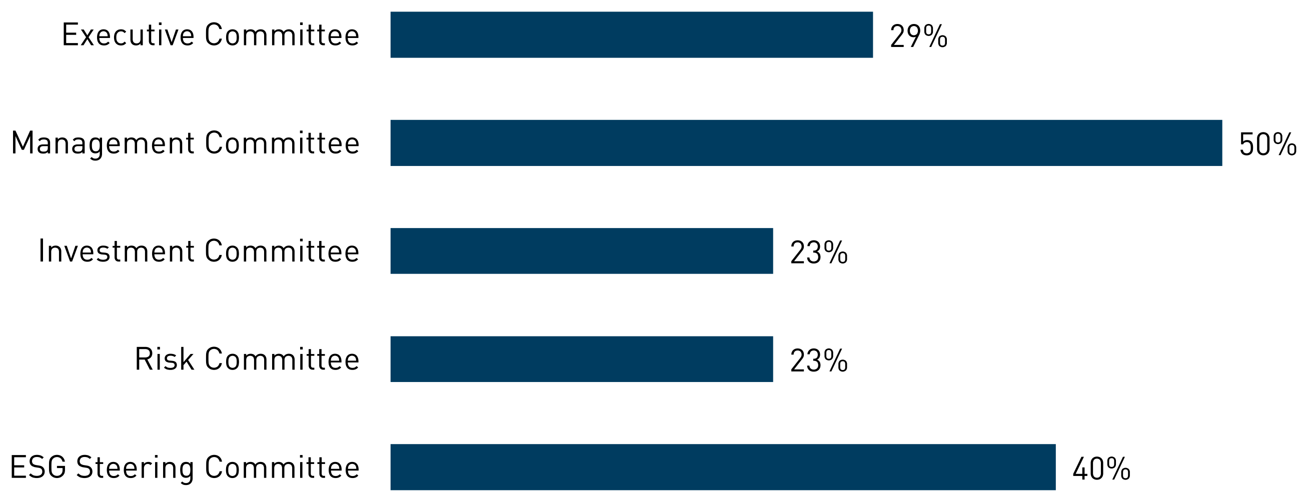


Women in the Workplace

Across Seniority Levels[1]



In Governance Roles & Committees[2]



[1]Executive refers to all C-suite level members; Management refers to all department heads, directors, and managers with direct reports; Experienced Professional refers to sales directors, managers without direct reports, portfolio managers, associate portfolio managers, and accountants; and Associate Professional refers to all analysts, associates, and any other junior roles.

[2]The Executive Committee and Management Committee are key decision-making groups within the firm and comprise both Executive and Management seniority levels.

Improving Workplace Equity

2023 Progress

In FY2023, we made meaningful strides toward improving workplace equity by appointing Dannielle Ullrich, CFO & COO, as RPIA's DEI Lead. In this role, she oversees the development and implementation of our diversity, equity, and inclusion strategy, which includes setting goals, creating inclusive policies, and ensuring these principles are embedded across the organization and aligned with our broader objectives. We also established the ESG Steering Committee, a diverse group drawn from various business units, tasked with driving RPIA's ESG strategy forward. Dannielle sits on this Committee, providing oversight of DEI training initiatives and data analysis, and collaborating with business units to foster a culture of inclusion. Her appointment as DEI Lead underscores our commitment to diversity, equity, and inclusion at the highest level of our leadership. Please see Page 21 for further details related to the ESG Steering Committee.

2024 Goals

In FY2024, we will continue to refine and strengthen our DEI strategies to ensure we hire and develop the best talent possible for roles across the organization. We will be bringing on a new Chief People Officer, who will ensure alignment with strategic and productivity goals. This individual will be responsible for talent acquisition, development, and retention, fostering an inclusive work environment and developing and implementing policies and procedures, managing employee relations and driving initiatives to enhance employee engagement and retention. We will continue to perform ongoing policy reviews, explore enhancing our approach to a diverse and inclusive workplace, and ensure robust oversight to maintain alignment with our broader firm objectives.

The 'Women in the Workplace' data covering representation across seniority levels and in governance roles underscores areas of improvement. While representation in leadership positions has grown, particularly at the executive level, there remains work to be done to ensure equitable representation across seniority levels and in governance roles. Over the next few years, we are committed to advancing gender equity through deliberate actions that can bridge existing gaps and create a more inclusive leadership pipeline.

In FY2024, we will continue leveraging targeted recruitment strategies to engage diverse talent pools through dedicated platforms and networks, broadening our reach to qualified candidates. Additionally, we recognize that external partnerships are key to sustaining this progress. In FY2024, we will deepen our relationships with women's organizations and academic institutions to ensure we attract and nurture future female leaders in finance.

To address leadership gaps, we will continue our commitment to developing talent through structured leadership development programs. These programs will offer women the tools needed to break through barriers, including targeted coaching, mentorship opportunities, access to external leadership courses, and improving their visibility within the industry.

As we look ahead, our goal is to continue building an equitable and inclusive environment where women can have the access and resources they need to thrive at all levels of the organization, particularly in the roles and committees where gender diversity remains underrepresented.

MEASURING OUR CLIMATE IMPACT

RPIA acknowledges that its activities as an employer and an investment manager have an impact on climate. As part of our sustainability strategy, we are committed to acknowledging, addressing and, to the best of our abilities, mitigating this impact.

As part of our ongoing education related to our climate impact, we recognize that understanding the sources of our greenhouse gas ("GHG") emissions is a key step in addressing and setting impactful goals for mitigation and, where possible, reduction. In 2023, we continued our partnership with BMO Radicle to update our GHG inventory and to review and assess our plans for mitigation and reduction. Important components of our efforts in 2023 include the implementation of energy consumption reminders, and the purchase of offsets derived from projects that are aligned with our focus on community and philanthropic action. By completing all component parts of the BMO Radicle Climate Smart program in 2023, we received Radicle's Climate Smart Certification. We are encouraged by our on-going partnership with BMO Radicle, and look forward to sharing our future progress.

The activities captured covered emissions for the fiscal period of 2023:

Scope 1: Office natural gas consumption

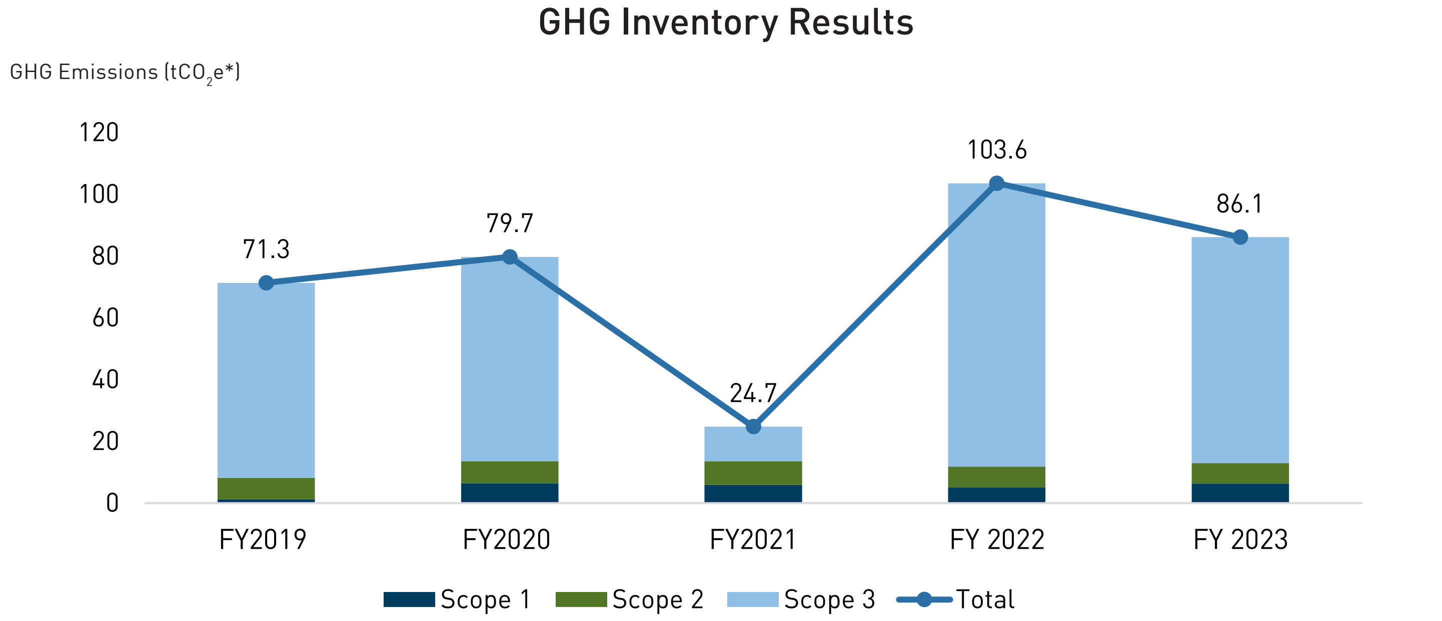
Scope 2: Office electricity use

Scope 3: Office waste management, business travel (air/rail travel, hotels, taxis/Ubers/Lyfts), daily employee commuting, paper consumption, and heat/electricity from work-from-home

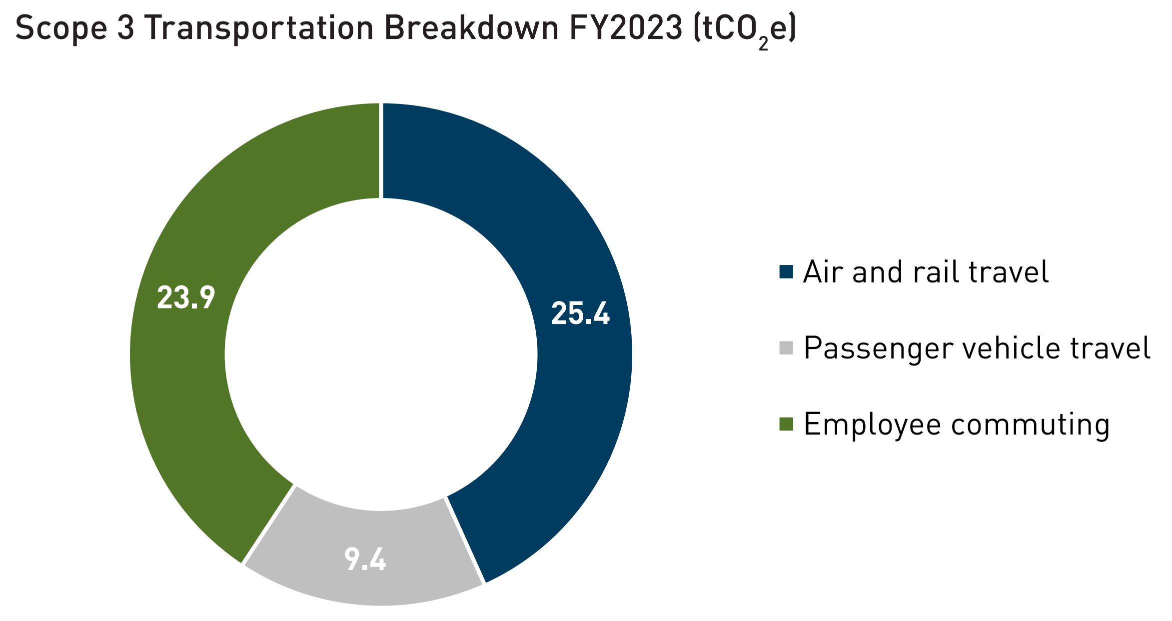
Our firm emitted a total of 86.06 tonnes[3] of greenhouse gases in FY2023, most of which resulted from business travel (road, air, and accommodation), staff commuting, and heat. This represents a meaningful (~15%) decrease from our emissions reported in FY2022. The shift in emissions was largely driven by a decrease in our scope 3 emissions inventories for heat and staff commuting, which we attribute to RPIA's hybrid working model, and enhanced data collection efforts to ensure we more accurately account for emissions related to employees' home offices and working environments. As in past years, our largest contributing categories are all linked to employee commuting and business travel.

86
tonnes of greenhouse gases emitted in FY2023

[3]2023 emissions calculations do not include an evaluation of financed emissions (category 15 emissions). As tools, including those used by BMO Radicle, mature in their capacity to assess financed emissions, RPIA intends to include their assessment as part of its overall climate impact evaluation.



Heat/electricity from WFH (scope 3) was a newly introduced category in FY2022 and was therefore not accounted for in previous years. Excluding this, our emissions are in line with 2019 and 2020 levels despite our workforce having grown significantly since then.



OUR ROLE AS AN INVESTMENT MANAGER:

SUSTAINABILTY AND THE INVESTMENT PROCESS

In This Section:

The following information covers RPIA Calendar Year 2023, which is from **January 1st, 2023 - December 31st, 2023**.

OUR ESG INTEGRATION PROCESS

Our ESG Integration Framework

We aim to integrate the consideration of ESG risks and opportunities into the investment process to support and augment our fundamental financial and credit analysis. As the landscape evolves with new ESG data, disclosures, regulations, and reporting frameworks, we will continue to mature our approach to ESG integration.

Our ESG integration framework enables the investment team to collect and analyze ESG-related data and disclosures from issuers. As part of our framework, we leverage the SASB framework, TCFD guidance, and our unique views and deep sector knowledge to assess ESG topics and trends that we believe are most likely to impact the investments we make on behalf of the portfolios we manage.

ESG analysis occurs in line with portfolio objectives and in collaboration with our fundamental credit analysis when assessing potential investment opportunities. We also benefit from our global capital markets expertise, which enhances the team's ability to engage with issuers on disclosure, trends, gaps and risks, including ESG risks, that we have identified.

Credit analysis requires a complete understanding of the context of how a borrower operates, and it is clear to us that well-managed, well-governed companies are more likely to fulfill their obligations. Therefore, it becomes prudent to analyze and price all material risks, including financial, macroeconomic, and geopolitical risks. In our view, environmental, social, and governance risks intersect with and complement our traditional risk assessment efforts.

In 2023, we leveraged findings from our ESG integration practices to help drive targeted engagement with select issuers. In this report, we highlight three engagements, each dealing with a different pillar of ESG: **(1) environmental factors**; **(2) social factors**; and **(3) governance factors**.

Beyond our ESG integration framework, RPIA offers thematic portfolios that focus on specific ESG objectives. We are pleased to share an update on the progress of the Fossil Fuel Exclusion strategy in this report.

ESG information, including details related to material risks and opportunities is part of the total mix of information RPIA considers as part of its investment decision making, and is not itself investment determinative.

The impact and weight of ESG consideration, including our issuer engagement efforts, can differ between our portfolios based on individual portfolio objectives, strategies and suitability of investments. We encourage investors to review the offering documents of the respective RPIA managed funds for additional information.

Oversight and Responsibility: ESG Governance

Our commitment to responsible investment is overseen by the firm's Investment Committee, ESG Steering Committee, and Risk Committee, and supported by each of the firm's Principals. The firm's efforts to ensure it upholds these commitments are embedded into each employee's role. We believe that by working together, we can serve as an example to the issuers we invest in.

Investment Committee

The Investment Committee consists of experienced investment professionals from the Portfolio Management and Risk Teams. The Investment Committee reviews material ESG risks identified by the Portfolio Management Team when appropriate or required. The Head of Credit Research is a member of the Investment Committee.

ESG Steering Committee

The ESG Steering Committee is a cross-functional body comprised of designees from different business units. The Committee's goal is to evolve and guide RPIA's approach to ESG, as applied to the firm's operations and corporate culture. When reasonable, the Committee will also exercise oversight of the firm's investment practices where alignment between the firm and our commitment and disclosures provided to UN PRI is needed.

The ESG Steering Committee provides strategic oversight of the firm's ESG Policy as necessary, reviews and approves ESG-related disclosures prepared for industry organizations (e.g., PRI); reviews and approves RPIA's association or membership with industry organizations or initiatives that aim to promote ESG; reviews and approves RPIA's direct or indirect engagement with policy makers with respect to ESG and sustainable investment; and champions continuous improvement on RPIA's ESG-related commitments.

Risk Committee

The Risk Committee consists of experienced Risk and Portfolio Management team members, the CFO & COO, the CCO, and risk management advisors from other functions.

The Risk Committee sets risk limits, monitors all strategies against their risk policies, alerts the respective decision makers on any portfolio positioning that is approaching policy limits, and independently evaluates market conditions to assess evident risks.

Principals

Within the scope of the Advisory, Executive, and Management Committees, Principals ratify long-term strategic goals for the firm and ensure RPIA's views on ESG-related risks are upheld across different groups. Supplementing the work done by the ESG Steering Committee, Principals ensure that the firm follows its own ESG philosophy and aligns itself with industry best practices.

Principals direct firm strategy, and as part of this, how RPIA considers its approach to ESG, which is ultimately executed by the firm's various committees and functional departments.

Implementing Our ESG Integration Approach

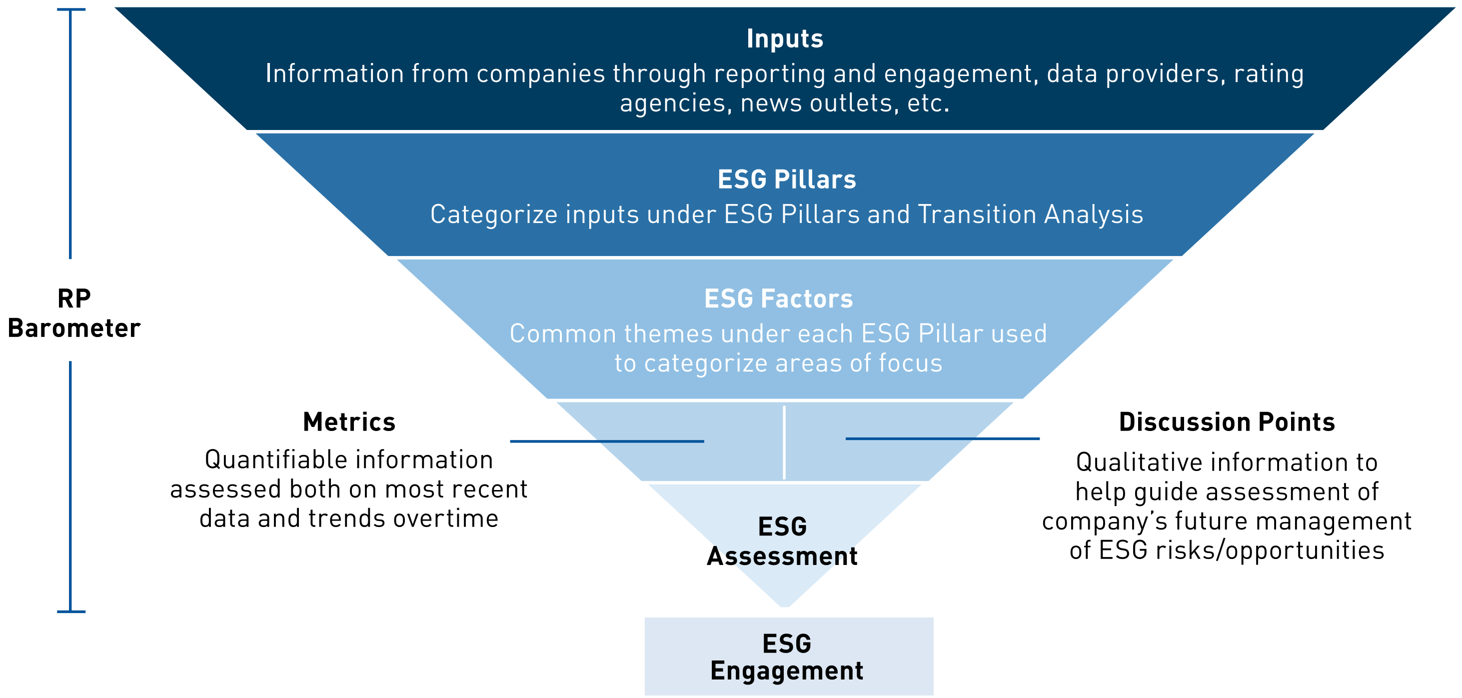
RPIA's ESG integration approach, comprised of our analysis and engagement efforts, applies to all strategies managed by the firm. The approach may vary between portfolios based on individual portfolio objectives, strategies, and composition. As we analyze and engage on ESG factors, we consider the three pillars of ESG: **(1) environmental factors**; **(2) social factors**; and **(3) governance factors**, and seek to identify risks and opportunities that are likely to be material to the issuers we invest in over the short, medium and long term.

Analysis of Issuers

As part of our focus to determine the existence and materiality of the ESG risks and opportunities an issuer may face, we prioritize understanding the context in which an issuer operates, which includes an assessment of, among other items, its public reports, industry news and feedback from rating agencies. To enhance our analysis, we deploy our proprietary tool, the **RP Barometer**, to build a better understanding of the ESG risks an issuer may face.

The Barometer captures quantitative metrics (e.g., current data and trends over time) and qualitative data that provide insights into how an issuers' management team and boards develop and present ESG risks and deliver improvements. The Barometer is designed to supplement our fundamental analysis, and includes an evaluation of an issuer's transition risk and workplace equity. Data outputs from the Barometer can also be used to understand the overall ESG performance of the issuers we invest in, and can help the investment team identify engagement opportunities. Qualitative inputs to our ESG analysis are important to understand the context of an issuer's operations. This data can be used by our team to initiate discussions with management teams and third parties such as regulators, rating agencies, and other investors globally, on specific ESG factors and topics.

RP Barometer: Our ESG Analysis Process



RP Barometer in Action Example

When utilizing the Barometer, we generally focus our efforts on issuers either where there is a current concern or a concerning trend. We may already own the issuer's debt, or we may be contemplating making an investment.

The following Barometer output of an Aerospace & Defense issuer illustrates how the Barometer can be used to consider ESG factors in the investment process. This example focuses on an issuer we were holding in several of our portfolios. The company had been under scrutiny following negative headlines, prompting us to conduct a deep dive into both the credit fundamentals of the issuer and the pertinent ESG risks. Specifically, we were interested in what the data would reveal about recent developments in the company's production operations.

There were some concerns regarding environmental risk factors as the company's production had relatively high emissions and energy intensity compared to peers in addition to not having any GHG reduction targets.

Governance had been an issue historically, but the company's new management team has focused on improving oversight and addressing legacy issues. Improvements thus far include a better process for line workers to report issues directly to senior management, prioritizing production quality over speed, and financially supporting suppliers to ensure stability and quality.

The following pages contain excerpts of the Barometer report. We have not included the full report, which is quite comprehensive, but focused on the relevant sections given the sector this issuer operates in and the specific concerns we had. We have annotated the relevant sections, providing commentary on the data our team considered during their analysis.

The Barometer findings supplemented our fundamental analysis and confirmed our theory on the company's improving governance, and as a result, did not impact our position sizing. However, this analysis gave us the confidence to commit to adding more exposure to the issuer in the event of a better entry level.

Sample Barometer Output

Company X

Sector: Aerospace & Defense | Country of Risk: US | Ratings (M/SP/F): BBB/BBB-

Environmental Risk Factors | Overall Rank: 2.8

Metrics (Current & Trend) | Current Rank: 2.9, Trend Rank: 2.7

Factors	Metric	Unit	Current	Curr Rank	Trend	Trend Rank
GHG Emissions	Total GHG CO2 Emissions Intensity per Sales	CO2e/Rev	16.7	3	-23.9	2
Resource Management	Energy Intensity per Sales	MWh/Rev	59.4	3	-22.3	2
Resource Management	Pct Renewable Energy Consumed	%	18.1	2	+6.0	2
Ecological Impact	Pct of Hazardous Waste Recycled	%	0.2	4	-0.8	3
Ecological Impact	Average Recyclability Rate of Products	%				
Ecological Impact	Water Use/Withdrawal Intensity per Sales	M³/Rev	58.6	2	-12.0	2
Ecological Impact	Waste Generated per Sales	Mt/Rev	1.0	2	+0.9	4

Metrics (vs. Peer Group)

Metric	X	A	B	C
Total GHG CO2 Emissions Intensity per Sales	16.7	11.7	20.7	21.4
Energy Intensity per Sales	59.4	55.7	77.2	73.9
Pct Renewable Energy Consumed	18.1	16.6	8.4	3.0
Embedded Carbon Reserves	0.2		0.0	18.0
Water Use/Withdrawal Intensity per Sales				
Waste Generated per Sales	58.6	54.0	145.2	88.5
Spills Per MBOE	1.0	1.2	1.2	1.8

Policy Implementation | Count: 1/3

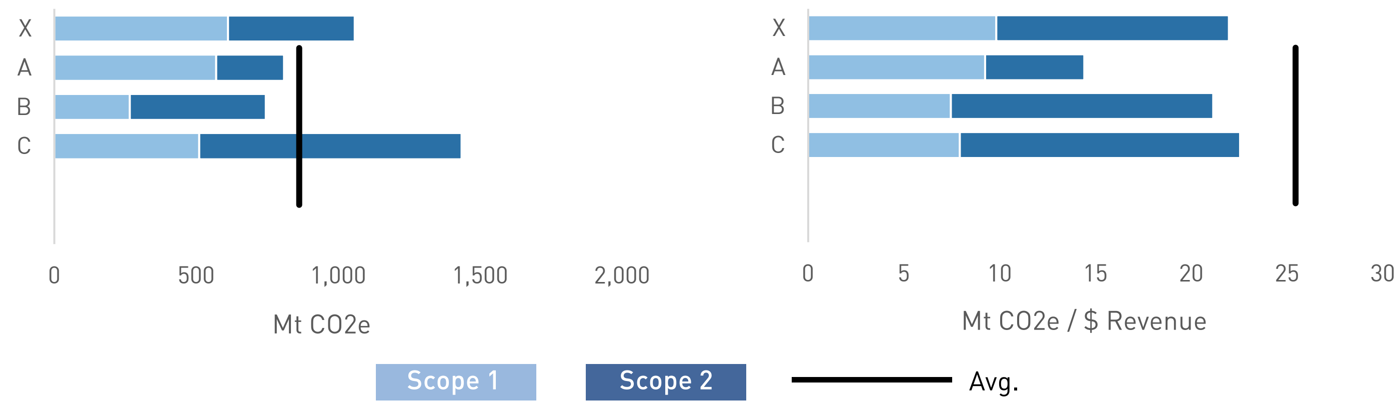
Factor	Policy	Y/N
GHG Emissions	GHG Reduction / Energy Use Policy	No
Resource Management	Energy Efficient Product Offerings	No
Ecological Impact	Critical Materials Policy	Yes

1. The data revealed that environmental risk factors such as GHG emissions per sales (CO2e/revenue) and energy intensity per sales (MWh/revenue) were trending positively. At the time of the report, the company was ranked third, trending to second.
2. In the context of the Aerospace and Defense industry, we were comfortable with the company's metrics relative to those of their closest peers.
3. Despite the lack of a formal GHG reduction or energy use policy, we spoke with the company and felt comfortable that the company had enough incentive from a fundamentals perspective to continue trending positively. The context of recent governance improvements also supported this position.

Carbon Profile | Average Rank: 2.0

Metrics (Absolute & Intensity) | Absolute Rank: 4.0, Intensity Rank: 2.0

	Absolute Level of Emissions				Intensity of Emissions (mtCO2e/rev)			
	Total	Scope 1	Scope 2	Scope 3	Total	Scope 1	Scope 2	Scope 3
X	1,058	612	446	300,052	22	10	12	4,817
A	810	570	240	476,092	14	9	5	7,719
B	745	266	479	1,220	21	7	14	34
C	1,435	510	924	24,668	23	8	15	383
Avg.	863	359	504	160,855	25	11	15	4,258



Source: Bloomberg, Company Filings.

4. When delving into the company's carbon profile, the majority of their emissions were classified as Scope 3, which accounts for activities not owned or controlled by the company but caused by its value chain. Although this concern was raised regarding their production operations, the completed product showed a 20%+ improvement in fuel efficiency for end users, which will likely decrease overall Scope 3 emissions. As fuel efficiency is a top priority for end users with fuel being the second largest operating cost, the interests of both the company and end users are aligned to achieve lower emissions.

In addition to these excerpts, the complete Barometer combines available data to provide our team with a fairly comprehensive summary of the company's environmental, social, and governance risk factors to support or provide context for fundamental analysis and aid decision-making.

STEWARDSHIP

Engagement Activities in 2023

As a fixed income investor, we occupy an important position among capital providers to many corporations. We believe engaging with issuers is a valuable part of our role as stewards of capital. There are unique opportunities for engagement within fixed income as outstanding debt is typically a larger portion of company balance sheets than equity, and private companies also issue debt in global capital markets. This allows fixed income asset managers to engage with influential companies not available to public equity investors.

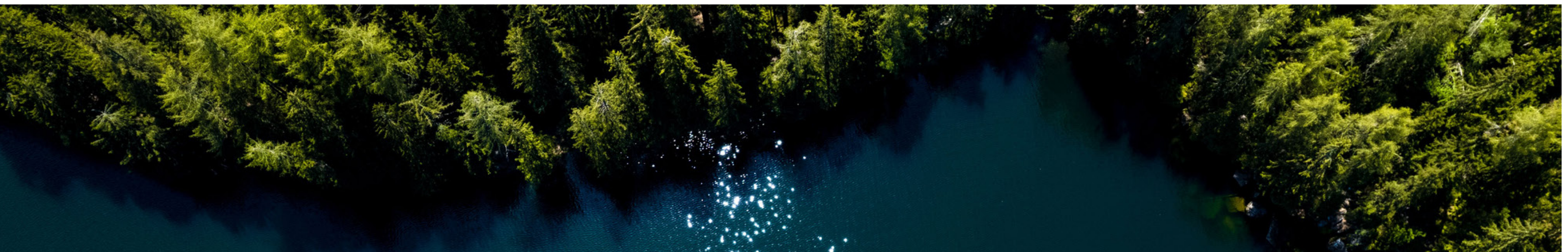
In the discussions we have with issuers, we gain insights that are not always available through a review of data or other reporting. Here, management teams share their future visions for managing ESG-related risks and opportunities, and we have the opportunity to discuss where companies can improve and to share the ESG topics that are important to our investors.

We incorporate ESG into our engagement practice by:

- **Identifying** industry-specific ESG factors on which to engage with issuers
- **Advocating** for initial/increasing ESG disclosures and assisting issuers with identifying material information, gaps, and best practices based on global frameworks
- **Updating** our understanding of the issuers' ESG profiles we develop on an on-going basis, including our understanding of an issuers future areas of focus
- **Emphasizing** our belief that management presentations and communications should support transparent disclosure of ESG strategy and achievements

Through engagement, we can deepen our assessment of an issuer's ESG profile on several fronts:

- Breadth of an issuer's disclosures across different business areas and whether meaningful metrics are tracked and reported
- Quality of the information provided
- Forward-looking plans for ESG-related risks and opportunities
- How well management teams are equipped to execute these plans



2023 ESG Engagement Examples

Convenience Store Operator

December 2023

Environment

We met with a Convenience Store Operator in December that owns, supplies, and supports a coast-to-coast network of retail gas stations, electronic vehicle charging stations, frozen food retail locations, convenience stores, cardlock sites, bulk fuel, propane, heating oil, lubricants, and other related services to commercial, industrial, and residential customers; transports and distributes fuel through ships, rail, and highway carriers; and stores fuel in terminals and other owned and leased facilities, as well as engages in the low-carbon activities .

In our view, this company's role as both a gas station owner that is in the midst of a long-term transition to EV while also owning a refinery creates ample opportunity to engage with the company on its environmental initiatives and commitments.

Engagement Focus

The company has committed to expanding its EV network to 50 of its sites by 2024, and represents one of the largest growing ultrafast charging networks in British Columbia. The company seeks to understand consumer behavior as it relates to these sites, with the anticipation to expand to Quebec, Ontario and in the U.S., with a specific focus on the Rocky Mountain region, where EV infrastructure is still developing.

The goal of the test sites is to determine whether EV drivers are as profitable as ICE drivers, and to utilize this key performance indicator to further build out the company's EV transition plan.

Outcome

The company's efforts and commitment to its EV transition did not result in an upgrade or positive outlook indication from Moodys. Nevertheless, we remain neutral in our view of the company. The EV conversion plan is being funded with low-cost government / CIB funding; however, the company does not seem to aspire to be a leader in EV, but is rather just following the market.

We will continue to engage with this company on their EV transition plan, as well as other environmental efforts.

For Illustrative Purposes Only

German Automaker

December 2023

Governance | Social

In November 2022, MSCI marked a German automaker with a "red flag" in its social issue category due to allegations of forced labour related to Uyghur employees at a joint venture manufacturing plant in Xinjiang, China. The automaker commissioned an independent audit performed by a Berlin-based auditor, which published results on December 6, 2023, confirming that they found no indication of forced labour.

On December 12, 2023, MSCI upgraded the red flag on labour rights and supply chain issues to an orange flag, in response to the positive audit. However, the following day, senior staff at the auditor distanced themselves from the audit, posting on LinkedIn that very few team members within their firm "participated, supported, or backed this projected." The Founder and CEO of the auditing firm, has stood by the results of this audit, stating that his assessment as project director of this audit remains unchanged.

Engagement Focus

We met with members of the German automaker's Investor Relations team and Management Board following these updates in December 2023. During our discussion, we asked about the recent audit and the subsequent distancing by members of the auditing team. The company confirmed that MSCI is pleased with the audit process, and the automaker was in dialogue with MSCI prior to the audit and ensured all required materials were included in the audit process.

In addition to the social issue category upgrade, the company was also upgraded from fail to watchlist on the MSCI UN Global Compact Alignment assessment, which makes them eligible for certain ESG indices that screen for these scores.

Outcome

This engagement increased our confidence in the company's credit profile, and the MSCI rating upgrades regarding the labour issue helped improve demand, with investors bidding up the company's secondary bonds following the MSCI update.

We will continue to monitor the company's governance oversight and labour rights practices. The automaker also has carbon neutral and carbon emission reduction goals on the environmental side, which we are monitoring as we wait for updated reporting on their progress.

Read the Full Engagement Report

U.S. Alternative Investment Manager

February 2023

Governance

In Q1, we met with a U.S. alternative investment asset manager that has three main operating lines of business. Due to its decentralized legal entity structure and a centralized operating model, its legal structure poses challenges to providing full transparency into the ESG risk and exposures of its subsidiaries' underlying funds. One of its three main lines of business includes managing a number of Business Development Companies ("BDCs"), many of which have issued bonds publicly in addition to the bonds issued by the ultimate parent company.

Engagement Focus

We held two meetings with the company, one in December 2022 and another in January 2023 with additional members of the management team. Our conversations focused on the issuer's reporting and product governance, particularly:

- Disclosure of ESG risks and exposures of investments held by entities lower in the issuer's capital structure.
- Robustness of their sustainability reporting (ambitions regarding CSR, etc.) and alignment with regulatory (e.g., SEC) and voluntary sustainability reporting frameworks (e.g., TCFD, SASB, GRI).

As a public company, they will be required to comply with the impending new SEC rules for sustainability reporting. In early 2022, they hired a Head of ESG to address current gaps in reporting and disclosure.

Outcome/Recommendations

Our engagement with this company is on-going. We provided several points of feedback to the issuer on our recent calls. We would like to see them doing the following:

- Acting as a leader in the alternative asset manager and BDC sectors, specifically having more clarity on the measurement of its climate impact (Scopes 1, 2, and 3).
- Setting meaningful emissions reduction targets or a net-zero plan and beginning to see demonstrable execution of any plan.
- Creating an ESG Governance Framework and forming a dedicated ESG research team and an ESG committee to strengthen the company's ESG framework and governance.
- Expanding commitments to the social pillar, building on their Community Loan Program.
- Eventually considering a green, social, sustainable, or sustainability-linked bond issuance.

We intend to hold further meetings with management in due course to receive feedback on our discussion and forwarded materials and questions.

Read the Full Engagement Report

THEMATIC PORTFOLIOS: FOSSIL FUEL EXCLUSION STRATEGIES

We have two thematic strategies, RP Broad Corporate Bond (Fossil Fuel Exclusion) and RP Broad Corporate Bond (BBB, Fossil Fuel Exclusion). Both strategies employ a negative screening approach, to meet with stated ESG-related investor objectives.

In partnership with one of our institutional investors, we developed a first-of-its-kind fossil fuel excluded corporate bond strategy for investors who take an exclusionary approach to ESG. The approach is an evolution of our RP Broad Corporate Bond strategy, which has a ten-year track record of generating over 175 bps of added value above the FTSE Canada All Corporate Bond Index (gross, annualized, since inception).

The RP Broad Corporate Bond (Fossil Fuel Exclusion) strategy was launched in July 2022 and takes a rules-based exclusion approach to screening fossil fuel intensive issuers out of the fund and the benchmark. As its name suggests, this strategy excludes all companies with direct involvement in or significant ownership of fossil fuel products within the Energy sector at the time of investment. We also screen for tobacco companies, issuers with cluster emissions, and those involved in controversial weapons.

The strategy maintains the performance target of the "original" strategy but has a secondary objective of maintaining a lower WACI (Weighted Average Carbon Intensity) than the already-carbon reduced FTSE Canada All Corporate ex-Fossil Fuels Enhanced Bond Index. The strategy is an innovative solution through which our investors were able to achieve both reducing fossil fuel exposure and obtaining superior returns.

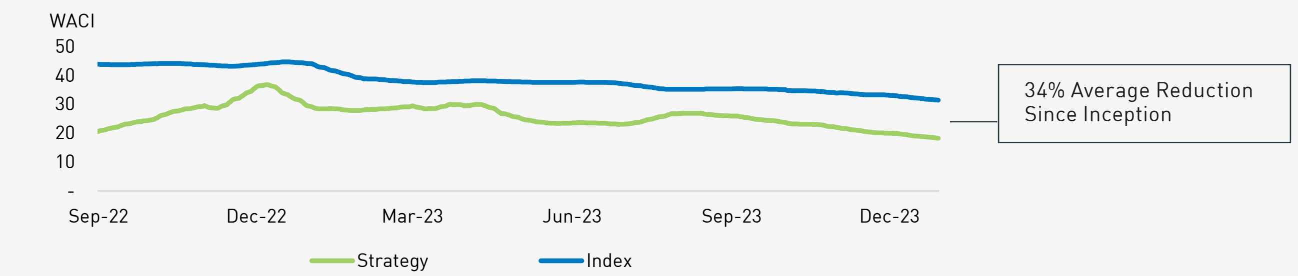
Performance as of December 31, 2023

Strategy AUM: $169 Million

	1 Mo	3 Mo	YTD	1 Yr	SI
RP BCB FFE	3.18%	7.86%	9.53%	9.53%	8.62%
Index	2.96%	6.98%	7.95%	7.95%	5.98%
Added Value	**0.22%**	**0.88%**	**1.57%**	**1.57%**	**2.64%**

RP BCB FFE= RP Broad Corporate Bond (Fossil Fuel Exclusion). Index = FTSE Canada All Corporate Ex Fossil Fuel Enhanced Bond Index. Source: FTSE.

RP BCB FFE Weighted Average Carbon Intensity (WACI) Relative to the Index

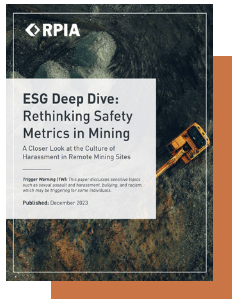


As at December 31, 2023. Index = FTSE Canada All Corporate Ex Fossil Fuel Enhanced Bond Index. Source: S&P TruCost.

THOUGHT LEADERSHIP

ESG Deep Dive: Rethinking Safety Metrics in Mining

A Closer Look at the Culture of Harassment in Remote Mining Sites



Our Credit Research Team conducted an important analysis on the Mining sector, which revealed challenging gaps in ESG metrics and standards for the industry. This paper takes a closer look at the culture of harassment in remote mining sites and analyzes the challenges and gaps regarding diversity targets and safety metrics in the industry from an ESG investing perspective.

Download the PDF

Putting the "G" Back in ESG

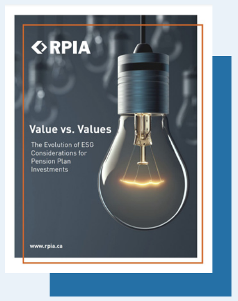
The Importance of ESG Engagements by Fixed Income Investors

The failure of ESG darling, SVB, prompted an important discussion on the importance of making governance considerations a priority. Fixed income investors have growing influence to engage with issuers and strengthen governance practices. Our paper highlights a few key takeaways for bond investors, including what went wrong with SVB and an example of our approach when engaging with issuers on governance factors.

Download the PDF

Value vs. Values

The Evolution of ESG Considerations for Pension Plan Investments



Over the past several years, pension funds have been thrust into the center of the ESG debate due to the influence they have on the actions and practices of large corporations as large stewards of capital. In our article published in The Observer by the Association of Canadian Pension Management (ACPM), we highlight the spectrum of approaches that Plans have taken and how ESG integration complements – rather than compromises on – investment performance.

Download the PDF

Explore Our ESG-Related Market Insights >>

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURE (TCFD) REPORT

The Importance of Climate Change

Climate change continues to be an urgent source of ESG risk for humanity and global economies. No sector has escaped the present or potential impact of climate change risks. As stewards of our investors' capital, we continue to monitor short, medium, and longer-term effects on corporate credit arising from physical and transition risks. More frequent extreme weather events and the continued transition away from fossil fuels have significant impacts on many sectors in which we invest, such as Energy, Transportation, Automotive, Financials to name a few.

We encourage you to review our annual TCFD report, which outlines our views on climate change and how we integrate this analysis into our investment process.

View the TCFD Report

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The RP Broad Corporate Bond (Fossil Fuel Exclusion) strategy is offered pursuant to available prospectus exemptions to eligible Canadian investors through units of RP Broad Corporate Bond (Fossil Fuel Exclusion) Fund. RP Broad Corporate Bond (Fossil Fuel Exclusion) performance presented represents the returns of RP Broad Corporate Bond (Fossil Fuel Exclusion) Fund, gross of management and performance fees. Investor level fund performance may differ from the strategy level performance presented. The index performance comparisons presented are intended to illustrate the historical performance of the indicated strategies compared with that of the specified market index over the indicated period. The comparison is for illustrative purposes only and does not imply future performance. There are various differences between an index and an investment strategy or fund that could affect the performance and risk characteristics of each. Market indices are not directly investable and index performance does not account for fees, expense and taxes that might be applicable to an investment strategy or fund.

RPIA is a signatory of the UN Principles for Responsible Investment and as part of our commitment, we consider Environmental, Social & Governance ("ESG") factors as part of our firm-level activities, including our investment process. ESG factors are important considerations in our investment management process but is supplemental to our primary financial and credit research and analysis functions. ESG factors that may be considered as part of our investment process include matters relating to climate change, energy use, energy efficiency, emissions, waste, pollution, matters related to human rights, impact on local communities, labour practices, employee working conditions, health and safety of the employees and affiliates, employee relations and diversity, executive compensation, bribery and corruption, board independence, board composition and diversity, alignment of interest between the shareholders and the executives, shareholder rights, and companies' policies relating to ESG.

ESG integration, including components relating to issuer engagement, is a firm-wide investment approach but the weight and importance of it in our investment management process can vary across the investment funds we manage. Always refer to the relevant fund offering documents for important information on the investment objectives, strategies and associated risks of a particular fund. The consideration and implementation of ESG factors are also subject to RPIA's internal investment and risk management policies and may be revised as a result of investment suitability requirements, current portfolio positioning and external market and economic factors.

The consideration of ESG factors in the investment process for RPIA managed mutual funds, including RP Strategic Income Plus Fund, RP Target 2026 Discount Bond Fund and RP Alternative Global Bond Fund is limited and weighted less than the primary financial and credit analysis employed in the management of these funds. Please see the fund's simplified prospectus for important information about the investment objectives, strategies and risks of each fund. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Always consult with your registered investment dealer before investing in mutual funds.

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