Task Force on Climate Related Financial Disclosures (TCFD) Report

2024

RPIA

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BACKGROUND

In 2015, the Financial Stability Board established the Taskforce on Climate related Financial Disclosures (TCFD) to help identify information needed by investors to appropriately assess and price climate related risks and opportunities. In 2017, the Taskforce published its recommendations for companies, including asset managers. We believe the adoption of TCFD's recommendations is critical for helping investors access transparent and standardized information on a company's governance and management of climate-related risks. As of October 2023, the International Sustainability Standards Board (ISSB) has taken over the monitoring of climate-related financial disclosures, and the TCFD has been subsumed by the ISSB.

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

RPIA's approach to ESG integration, including components relating to issuer engagement, is a firm-wide investment approach but its weight and importance in our investment management process can vary across the investment funds we manage. We encourage our investors to refer to the offering documents provided for each respective fund for additional information.

The following sections detail how RPIA is applying the TCFD recommendations to our business and promoting the framework to the companies we invest in on behalf of the portfolios we manage and those we analyze and meet with in preparation for a potential future investment. Throughout this report, we will reference disclosures made in our 2024 Sustainability Report .

CORE ELEMENTS OF CLIMATE RELATED DISCLOSURES

01 Governance

The organization's governance around climate-related risks and opportunities.

02 Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning.

03 Risk Management

The processes used by the organization to identify, assess and manage climate-related risks.

04 Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

GOVERNANCE

Recommended Disclosures:

a. Describe the board's oversight of climate-related risks and opportunities
b. Describe management's role in assessing and managing climate-related risks and opportunities

ESG and Climate Governance

As disclosed in the Oversight and Responsibility section of our Sustainability Report, our commitment to responsible investment and ESG integration, and, by extension, climate related risks and opportunities, is overseen by the Firm's Investment Committee, ESG Steering Committee and Risk Committee. The Firm seeks to ensure these commitments are upheld and embedded into each employee's role.

Principals

RPIA Principals include all the equity owners of the business, in both advisory and operating capacities. Within the scope of the Executive and Management Committees, Principals ratify long-term strategic goals for the firm, including ensuring RPIA's views on climate related risks are upheld across different groups. Supplementing the work done by the ESG Steering Committee, Principals ensure that the firm adheres to our ESG philosophy and aligns itself with industry best practices including the TCFD recommendations, where applicable.

Committee/Team	Description	Firm-level Focus	Investment-level Focus
ESG Steering Comittee	• Cross-functional body comprised of representatives from across RPIA • Oversees Firm- and Investment-level approach to ESG	X	X
Risk Committee	• Risk and Portfolio Management Leaders, the Chief Operating Officer, and the Chief Compliance Officer • Oversees management of exclusions and investment-level ESG considerations	X	X
Investment Committee	• Reviews material investment-level ESG and climate-related risks		X
Investment Team	• Divided into the portfolio management, research and quant, structuring and execution teams • Each team has individual responsibilities related to ESG and climate integration		X

STRATEGY

Recommended Disclosures:

a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
b. Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning.
c. Describe the resilience of the organization's strategy, taking into consider different climate-related scenarios, include a 2°C or lower scenario.

Time Horizon

We consider ESG and climate-related risks across a variety of time horizons, including the short-, medium, and long-term. These considerations are in the context of the materiality of various risks and opportunities affecting our business and the investments we make.

Identification and Impact of Climate Risks and Opportunities

Corporate Activites

RPIA acknowledges that its activities as an employer and an investment manager have an impact on climate. As a business operating in the modern economy, we have exposure to both physical climate risks as well as transition risks related to our activities as a financial institution. As part of our sustainability strategy, we are committed to acknowledging, assessing and mitigating this impact, as part of our overall business strategy. Mitigation efforts include the inventory and offset of our greenhouse gas (GHG) emissions, as detailed in the Metrics and Targets section of this report.

In addition to our offset activities, We also continue to promote workplace trends that we believe will help reduce our Scope 3 operational footprint, including:

- Promoting the use of public transit for commuting and in-person client meetings
- Subscribing to a corporate bike share program
- A reduction in air travel related to sales efforts
- Maintaining a flexible work from home policy for certain teams at RPIA
- Prompting climate-friendly behaviors via in-office signage
- A Business Continuity Plan that is routinely tested and validated

Investment Activities

As an asset manager, our investment strategies expose us to a variety of physical and transition risks, as well as various climate opportunities. In particular, we acknowledge the impact of GHG emissions and other climate outcomes we finance in the market through our investments. We aim to categorize and define these risks in line with the TCFD framework. These activities primarily occur via our ESG integration strategies, particularly through the use of our ESG Barometer. For more information on the Barometer, please refer to page 21 of our 2024 Sustainability Report. Specific risks we have identified include:

Physical Risks

We have found acute physical risks may be particularly material for issuers within the banking, insurance, transport, utility, housing, and energy sectors. We believe chronic risks could contribute to increasing volatility across all sectors and jurisdictions. Our physical risk assessments are undertaken on an ad-hoc basis depending on issuer and sector materiality.

Examples of physical risks identified include:

	Definition	Examples	Sectors Exposed	Time Horizon
Acute	Extreme weather events	Hurricanes, wildfires, etc.	Utilities, Energy, Communications	Short- to long-term
Chronic	Persistent impact from rising temperatures	Rising sea levels, heat waves, etc.	Consumer Staples, Utilities, Energy	Medium- to long-term

Transition Risks

We believe most corporate bond sectors will be impacted by transition risks as global economies move towards a net-zero economy. In our view, transition risks are multi-dimensional and present across regulatory, technological, and market dynamics.

Examples of transition risks we have identified include:

	Definition	Examples
Regulatory & Policy	• Introduction of regulations and policies that require corporate bond issuers to act on environmental impact	• Government taxonomies • Limitations on high emitting businesses • National net-zero pledges
Technology	• Risks of legacy technologies becoming obsolete or restricted due to the impact on environment • Opportunities for leaders in low-emission/ low-environmental impact technologies	• Stranded assets for high-emitting industries • Supply chain risks as companies pivot to lower-emitting technologies • R&D and implementation of new technologies that are more efficient or help abate impact
Market Dynamics	• Supply and demand shifts caused by transition risks	• Investor sentiment towards/away from certain sectors which can pose funding risks/ opportunities • Participation in and pricing of “ESG-linked” versus conventional securities

As described in our Sustainability Report, ESG risks and opportunities, including climate related risks and opportunities, may influence our decision-making throughout the investment process. This includes the analysis of material risks in the research phase, as well as engagement with issuers on climate risks, opportunities, and disclosures.

In addition to our firm-wide ESG integration activities, we have partnered with our investors to develop specific climate-focused strategies: the RP Corporate Bond (Fossil Fuel Exclusion) and RP Corporate Bond (BBB, Fossil Fuel Exclusion) funds (together known as the FFE Strategies). More information on the FFE Strategies can be found in the Appendix to this Report.

Climate Resilience

As detailed above, we recognize the impacts the climate transition may have on our corporate and investment activities, and we strive to assess, monitor and address these risks on an ongoing basis. RPIA aims to conduct scenario analysis and other climate resilience-based analysis on a rolling basis, dependent on the materiality of risks identified via our ESG integration activities. As we continue to monitor and assess physical and transition risks, we will address the frequency and manner of our scenario analysis activities.

RISK MANAGEMENT

Recommended Disclosures:

a. Describe the organization's processes for identifying and assessing climate-related risks.
b. Describe the organization's processes for managing climate-related risks.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organizations overall risk management.

Identification and Assessment

Credit Research

- Analysis of ESG-related risks alongside more traditional credit fundamental factors
- Comparison of climate-related risks versus industry peers
- Monitor feasibility of transition plans and corresponding risks
- Internal ESG ratings for long-horizon exposures
- Assess new securities and structures from an ESG perspective and provide feedback to issuers where relevant

Structuring & Execution

- Rebalancing and active management that considers fundamental and ESG- related views of Credit Research
- Integrate these elements into relative value and pricing decisions
- Provide feedback to underwriters about new structures and securities issued in an ESG format

Management

Risk Management

- Monitor exposures and concentrations across sectors and issuers considering fundamental and ESG-related risks
- Ensure ESG-focused strategies are within Risk Policy limits including ESG-related constraints

Engagement

- Engage with issuers on ESG-related information, encouraging management teams to increase the level of disclosure and transparency when reporting climate related information in line with TCFD recommendations
- Identify opportunities to engage in discussions with regulators or other relevant organizations if appropriate for an individual sector
- Leverage membership in industry organizations such as Climate Engagement Canada to increase engagement effectiveness and drive positive outcomes
- See our engagement examples in the 2024 Sustainability Report

Integration into Overall Risk Management

As with all material investment risks, our Risk Committee seeks to monitor both micro and macro-level risks affecting our portfolios.

Platform	Strategy	ESG and Climate Integration	Climate Exclusions
Active Fixed Income	RP Fixed Income Plus	X	
	RP Strategic Income Plus Fund	X	
	RP Yield Advantage	X	
Alternative Fixed Income	RP Alternative Global Bond Fund	X	
	RP Debt Opportunties	X	
	RP Select Opportunities	X	
Institutional	RP Broad Coporate Bond	X	
	RP Broad Corporate Bond (Fossil Fuel Exclusion)	X	X
	RP Broad Corporate Bond (BBB, Fossil Fuel Exclusion)	X	X

METRICS & TARGETS

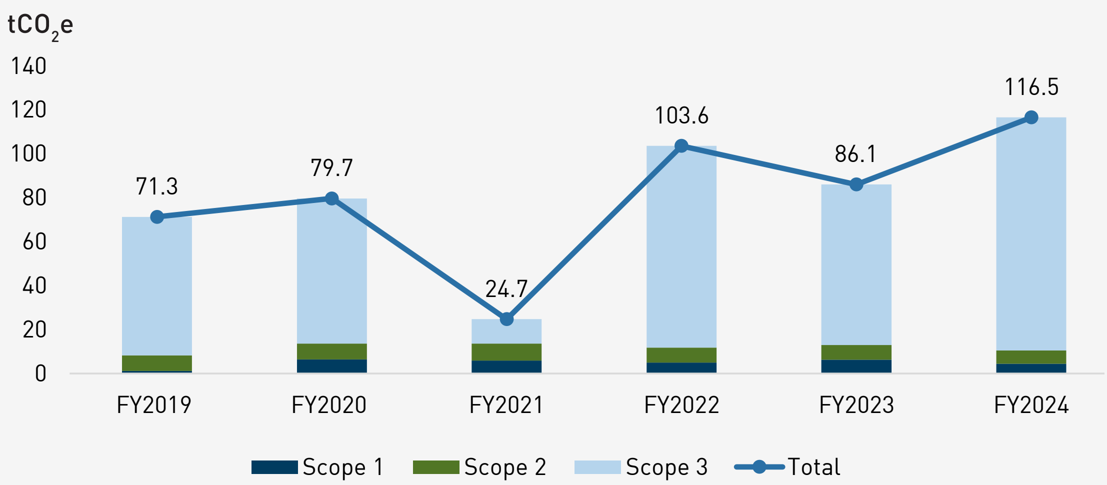
Recommended Disclosures:

a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
c. Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.

RPIA's Operations

- Most of our direct emissions (Scopes 1 and 2) come from the natural gas and electricity consumption at our offices
- Most of our Scope 3 emissions[1] come from travel-related activities including employee commuting and air travel

RPIA's GHG Profile



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.

Source: Radicle.

RPIA will continue to conduct annual GHG inventories to monitor trends in our GHG profile and manage related-risks by promoting public transit and alternative transportation options for our employees, continuing to reduce waste generated by our office, promoting virtual meetings, and allowing a flexible work-from-home policy for a portion of our workforce.

[1]RPIA's current emissions inventory does not include certain Scope 3 categories (as defined by the GHG Protocol), including Category 15: Investments. TCFD recommendations encourage asset managers to disclose financed emissions. Due to data limitations, RPIA does not currently attempt to inventory our firmwide financed emissions but will continue to evaluate our ability to do so in the future.

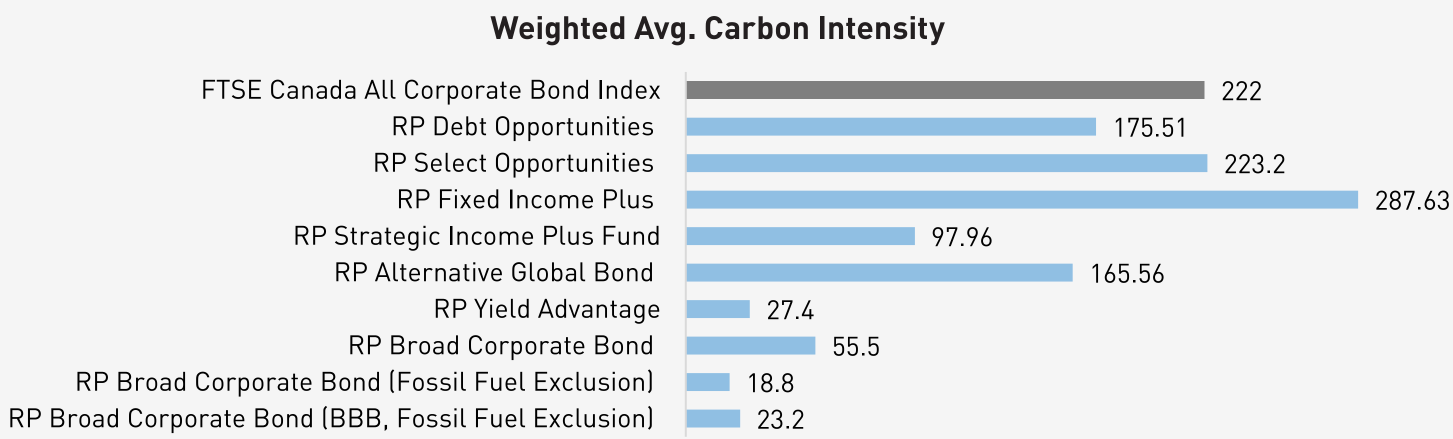
RPIA's Investment Activities

RPIA collects data on climate-related risks through the most recent GHG emissions disclosed by an issuer. Our preferred metric for analyzing GHG emissions data is carbon intensity, defined by the TCFD as, gross Scope 1 and Scope 2 emissions, adjusted by a firm's total revenue.[2]

If an issuer has not reported for a given year but did report the prior year, the prior year's data is used until the current year's data becomes available. Issuers not disclosing GHG emissions data will be excluded from this calculation in both the portfolio and the benchmark (if applicable). RPIA's strategies do not explicitly target carbon intensity levels on an absolute or relative basis (excluding the FFE Strategies). While all our strategies assess environmental risks as part of our investment process, the materially and impact of this analysis may vary based on specified portfolio objectives and strategies as described in the relevant offering documents. Although higher carbon intensity may not preclude a strategy from investing in an issuer, it could create a higher hurdle for investment with additional required compensation through yield/spread.

In addition to our attention to carbon intensity, we measure the weighted average carbon intensity of our portfolios in the aggregate, enabling data comparability.

Carbon Intensity Profile of RPIA Strategies vs. Canadian Bond Market



Source: RPIA, Bloomberg.

In addition to our focus on carbon intensity metrics, we also consider various other physical and transition risk metrics, as deemed material to an issuer. This may include data from the Science Based Targets Initiative, Climate Disclosure Project, and Bloomberg related to carbon reduction targets set by issuers and estimates for future GHG emissions pathways. For our FFE Strategies, we also employ a variety of other climate-related metrics, illustrated and described in Appendix A.

Targets

RPIA has not yet set any organizational-level climate-related targets. As we continue to advance our climate-related processes, we will assess the practicability and viability of climate-related targets, including emissions reduction goals, or similar. RPIA's FFE Strategies have set specific targets related to weighted-average carbon intensity, in relation to an index benchmark. For more information, please refer to Appendix A.

[2]Final Amended Implementation Guidance for the TCFD, pg. 43.

APPENDIX

RP BROAD CORPORATE BOND (FOSSIL FUEL EXCLUSION)

RP Broad Corporate Bond (Fossil Fuel Exclusion) aims to deliver on two outcomes:

1. Producing excess risk-adjusted returns relative to its index

2. Maintaining a Weighted Average Carbon Intensity of the fund that is less than that of the benchmark

Launched in 2022, RP Broad Corporate Bond (Fossil Fuel Exclusion) aims to provide a broader access to fossil fuel exclusionary investments beyond RP Corporate Bond (BBB, Fossil Fuel Exclusion).

This actively managed Strategy aims to outperform the FTSE Canada All Corporate Ex Fossil Fuels Enhanced Bond Index by 100 bps (net of fees) on an annualized basis while reducing the market-value WACI (weighted average carbon intensity) relative to its index. The Strategy merges our long-standing investment process with a transparent, rules-based approach to screening fossil fuel exposure out of the portfolio.

The Strategy has delivered on its dual goals of outperforming the fund's benchmark while maintaining carbon intensity levels below the index. To-date, the market-value weighted carbon intensity of the portfolio is, on average, 39% lower than the benchmark with an excess return of 228 bp. The portfolio's lower carbon intensity profile has been driven by sector allocation (ex. underweight energy) and by security selection within higher GHG emissions sectors (ex. energy and infrastructure).

Carbon Profile - Strategy vs. Index

The Strategy has produced a Weighted Average Carbon Intensity ("WACI") profile that is 39% lower than the Index since inception.

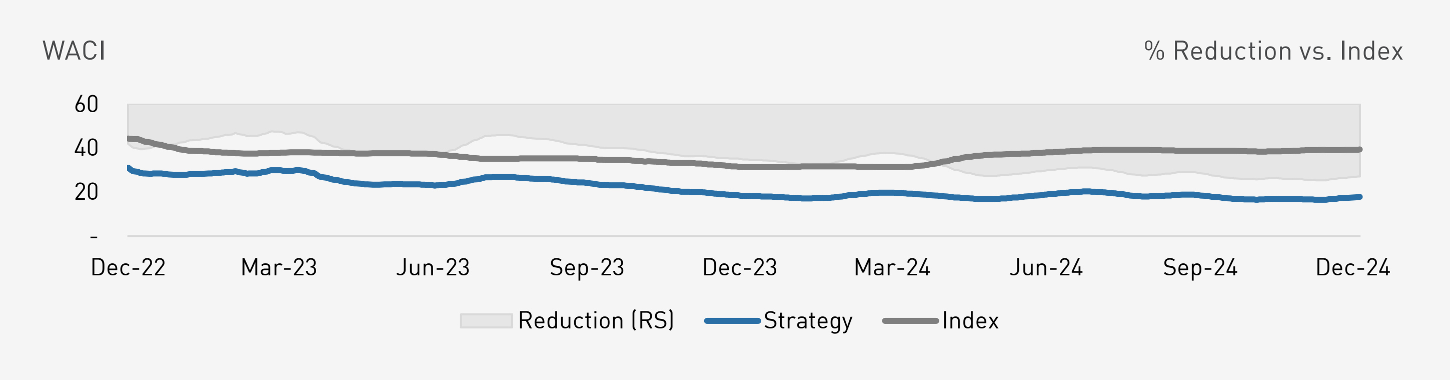
Relative WACI

		1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	Inception*	Coverage
WACI	Strategy	16.9%	16.9%	18.2%	24.6%	-	-	21.8%	96.0%
	Index	39.1%	39.1%	36.9%	36.9%	-	-	37.7%	92.7%
	Reduction	**-57%**	**-57%**	**-51%**	**-51%**	**-**	**-**	**-42%**	**+3.3%**

*Inception Date: June 2022.

Data as of December 31, 2024.

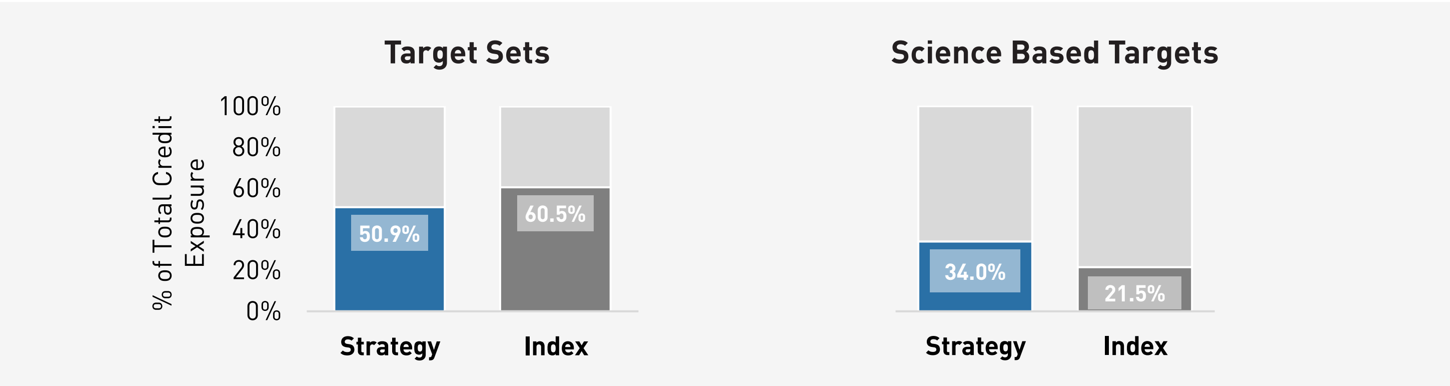
WACI - Historical Headline and Reduction



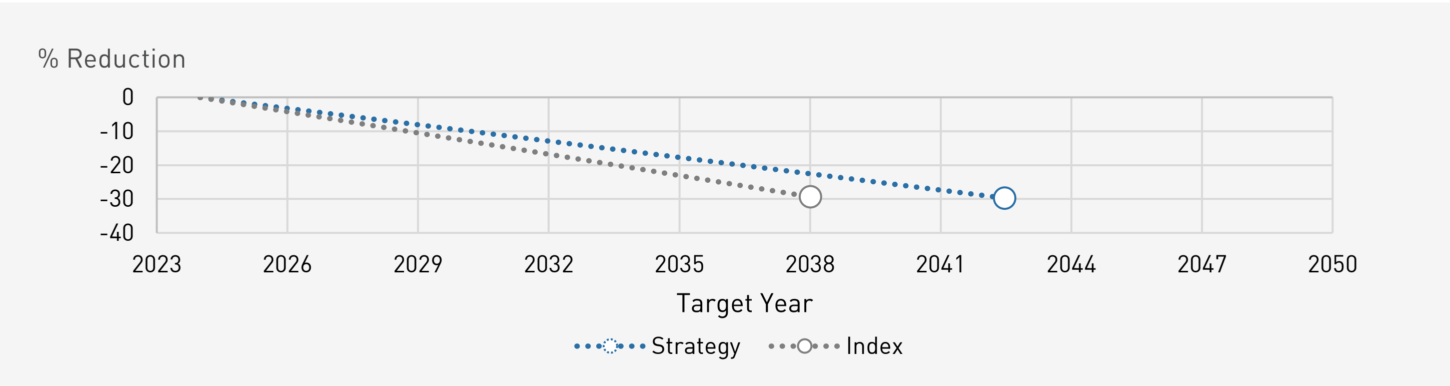
Forward-Looking Metrics

These metrics help us assess the forward-looking profile for the Strategy. Both the Strategy and Index have a similar percentage of holdings with carbon reduction targets, while the index currently scores better in terms of "quality" targets as proxied by science-based certification. The Strategy has a more "ambitious" reduction profile both in terms of time horizon and magnitude. Temperature Scoring provides a sense of how aligned the portfolio is with the Paris Agreement, using the CDP/WWF Temperature Rating Methodology.

Target Setting & Quality



Target Ambition



Data as of December 31, 2024.

Definitions

Strategy: RP Broad Corporate Bond (Fossil Fuel Exclusion).

Index: FTSE Canada All Corporate Ex Fossil Fuels Enhanced Bond Index.

Scope 1 Emissions: Greenhouse gas emissions generated from burning fossil fuels and production processes which are owned or controlled by the company, converted into equivalent tons of CO2, as defined in the GHG protocol.

Scope 2 Emissions: Greenhouse gas emissions from consumption of purchased electricity, heat or steam by the company, converted into equivalent tons of CO2, as defined in the GHG protocol.

Weighted Average Carbon Intensity ("WACI"): Exposure to carbon-intensive companies, expressed in metric tons CO2e / $M revenue. Metric recommended by the Task Force on Climate=Related Financial Disclosures.

$$\sum_{n}^{i}\left(\frac{Market\ Value\ of\ Investments\ (C\$)}{Market\ Value\ of\ Portfolio\ (C\$)} \times \frac{GHG\ Emissions}{Issuer's\ \$M\ revenue\ (C\$)}\right)$$

Carbon Footprint: Exposure to carbon-intensive companies, expressed in metric tons CO2e / C$1M investment. Metric recommended by the Task Force on Climate-Related Financial Disclosures.

$$\frac{GHG\ Emissions}{Market\ Value\ of\ Portfolio\ (C\$)} = \frac{\sum_{n}^{i}\left(\frac{Market\ Value\ of\ Secuirty\ i\ (C\$)}{Issuer\ i's\ EVIC(C\$)} \times Security\ i's\ Scope\ 1\ \&2\ GHG\ Emissions\right)}{Market\ Value\ of\ Portfolio\ (C\$)}$$

IMPORTANT INFORMATION

The information herein is presented by RP Investment Advisors LP ("RPIA") and is for informational purposes only. It does not provide financial, legal, accounting, tax, investment, or other advice and should not be acted or relied upon in that regard without seeking the appropriate professional advice. The information is drawn from sources believed to be reliable, but the accuracy or completeness of the information is not guaranteed, nor in providing it does RPIA assume any responsibility or liability whatsoever. The information provided may be subject to change and RPIA does not undertake any obligation to communicate revisions or updates to the information presented. Unless otherwise stated, the source for all information is RPIA. "Forward-Looking" statements are based on assumptions made by RPIA regarding its opinion and investment strategies in certain market conditions and are subject to a number of mitigating factors. Economic and market conditions may change, which may materially impact actual future events and as a result RPIA's views, the success of RPIA's intended strategies as well as its actual course of conduct. The information presented does not form the basis of any offer or solicitation for the purchase or sale of securities. Products and services of RPIA are only available in jurisdictions where they may be lawfully offered and to investors who qualify under applicable regulation.

RPIA managed strategies and funds carry the risk of financial loss. Performance is not guaranteed and past performance may not be repeated.

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. The Weighted Average Carbon Intensity data and comparisons is presented for informational purposes, is subject to change and does not in any way reflect past of future performance or returns of the strategy.

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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