



ESG Investing: The Journey to Sustainability

Dynamic Funds[®]
Invest with advice.

ESG Investing: The Journey to Sustainability

Dynamic Funds (Dynamic) believes the consideration of environmental, social, and governance (ESG) factors in the investment process is a component in delivering long-term value to our investors. As dedicated active managers, our investment teams at 1832 Asset Management L.P. (1832) consider a broad range of ESG factors in their investment processes – and have done so for many years.

Why ESG Matters

- Investment managers have an important role to play in allocating capital for society’s long-term best interest
- Integrating ESG factors into the investment process provides a deeper understanding of an investment’s risk profile
- Poor ESG performance can be costly. Major ESG-related controversies continue to erode shareholder value across a wide range of sectors and industries

“ESG investing covers a range of important issues that investors face today – from climate sustainability to inclusion and beyond. At Dynamic, we take these issues very seriously; our clients’ well-being depends on it.”

– Neal Kerr, *President, 1832 Asset Management*

Our Commitment to ESG

Signatory of:



1832 is a signatory to the United Nations-supported Principles for Responsible Investment and regularly submits transparency reports to the agency.



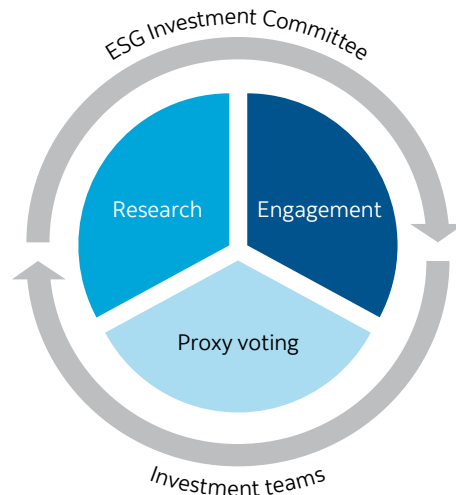
1832 is a proud member of the Canadian Coalition for Good Governance (CCGG) and serves on the group’s Environmental and Social Committee.



1832 is a member in good standing of the Responsible Investment Association, Canada’s membership association for responsible investing.

Key Policies and Initiatives

Over the last several years, Dynamic has been focused on creating a formalized, systematic approach to the consideration of ESG factors in order to provide a fuller perspective on risks and opportunities associated with existing and potential investments.



Oversight: ESG Investment Committee

Reporting to the 1832 Board of Directors, our ESG Investment Committee meets each month to oversee the integration of ESG factors into the investment process and to develop enhanced ESG-related risk reporting. Representation includes:

Head of Research (Chair) | Chief Operating Officer
Chief Investment Strategist | Chief Compliance Officer
Director, Investment Risk | Portfolio Managers

Mandates include:

- ✓ Review and evaluation of ESG-related policies and guidelines
- ✓ Integration of ESG factors into investment processes
- ✓ Review of potential ESG-related investment products
- ✓ Oversight of ESG commitments to align with industry initiatives
- ✓ Recommendations to investment teams for ongoing ESG improvements
- ✓ External communication on firm-wide ESG efforts

“At Dynamic, we are constantly seeking to identify factors that could potentially be relevant and material to our investment analysis. As long-term investors, ESG factors are a critical component in our research.”

– **Daniel Yungblut**,
*Vice President and Head of Research,
Chair, ESG Investment Committee,
1832 Asset Management*



Independent Research

Our investment teams utilize internal fundamental research along with various external data sources to formulate an independent assessment of ESG-related factors. We do not rely on third-party ESG research, and ESG scores from external sources are just one input into our rigorous research process.

As part of a more formalized approach to research, our investment reports and quarterly review processes increasingly include specific ESG sections to assess a broad range of related factors.

ESG Factors for Consideration:

Environmental

Climate change
Greenhouse gas emissions
Waste and pollution
Renewable power

Social

Diversity and inclusion
Labour standards
Human rights
Data protection and privacy

Governance

Board independence
Shareholder rights
Executive compensation
Bribery and corruption



Engagement with Management

Dynamic believes that engagement is the best way to foster positive change on a range of issues. Regular meetings and direct engagement between our investment professionals and the entities in which they invest provide the opportunity to regularly communicate views and concerns to management, while also fostering a deeper understanding of specific companies and issues.

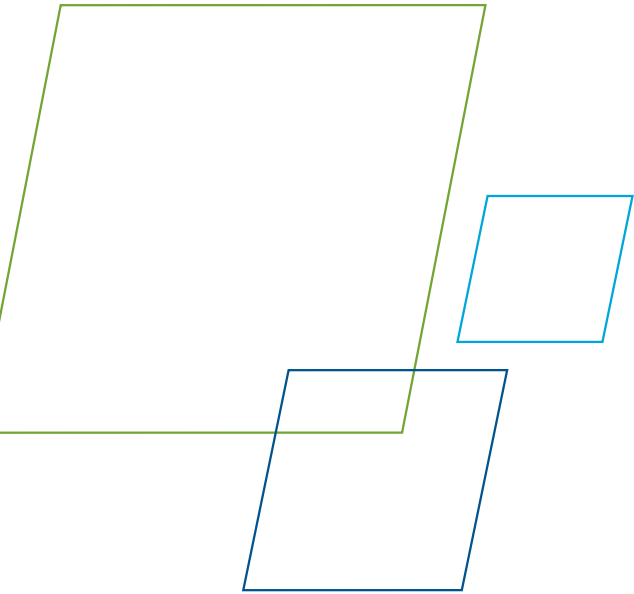
As active managers, we analyze and push for more regular disclosure from issuers; engaging regularly with management teams creates an environment where that can happen.



Proxy Voting

Proxy voting is an important part of Dynamic’s best practices for corporate governance, and an essential component of the investment process. As such, we consider ESG factors as part of our long-standing engagement with issuers through proxy voting.

Our formal proxy voting policy ensures that all proxies are voted in a manner consistent with the best interests of our clients.



Customer Relations Centre

Toll free: 1-800-268-8186

Tel: 514-908-3212 (English)
514-908-3217 (French)

Fax: 416-363-4179 or 1-800-361-4768

Email: service@dynamic.ca

dynamic.ca

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. Dynamic Funds® is a registered trademark of its owner, used under license, and a division of 1832 Asset Management L.P.

Dynamic Funds®
Invest with advice.