

Systematic ESG World Equity

SUMMARY

Benchmark⁽¹⁾	MSCI World (net)
Value added objective	2% (4-year rolling periods)
Target active risk	4% to 6%
ESG approach	Negative and positive filters
Number of holdings	50 to 100
Currency hedging	Hedged back to the index
Target beta vs index	0.98 to 1.02

ESG CHARACTERISTICS

	Strategy	MSCI World
Carbon emissions (t CO ₂ / \$B)	9	60
Water intensity (m ³ / \$M of sales)	139	8,247
Energy use intensity (GJ / \$M of sales)	157	1,059
Recycling ratio (t recycled / t produced)	67%	64%
Renewable energy use	38%	37%

Source of company ESG data: Refinitiv

RESPONSIBLE INVESTMENT

- Selection based on negative and positive filters developed by DGAM's ESG research team.
- Systematic exclusion of largest carbon emitters, fossil fuel emitters, coal extracting companies, and companies in the tobacco and armament industries.
- Qualified companies are industry-leaders according to several ESG criteria.

PORTFOLIO CONSTRUCTION

- Systematic approach
- Multifactor model: varied sources of alpha that have performed well in the past and whose perspectives are rational
- Target beta of 1.0 to capture market return
- Systematic control of active risk

STYLE BIAS (vs MSCI World)

Momentum	4.30
Value	3.54
Growth	3.52
Quality	2.94
Revisions	2.71
Volatility	1.03
Alternative	0.14
Size	-4.11

Source: DGAM, December 31, 2023

PERFORMANCE (% , CAD)

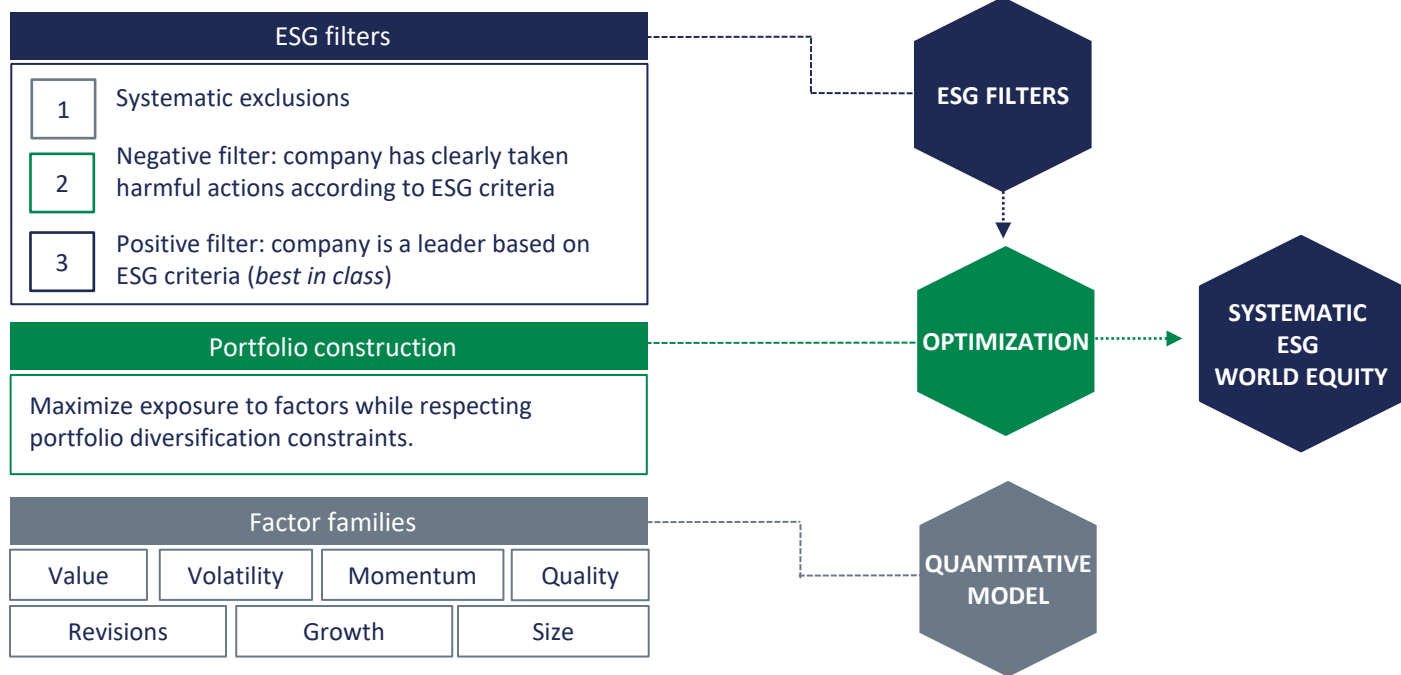
	3 months	YTD	1 year	2 years	3 years	5 years	10 years	Since inception
Systematic ESG World Equity	10.70	23.53	23.53	0.70	7.80	---	---	12.92
MSCI World (net) ⁽¹⁾	8.66	20.47	20.47	2.85	8.51	---	---	10.75
VALUE ADDED	2.04	3.06	3.06	-2.15	-0.71	---	---	2.17
			2019	2020	2021	2022		
Systematic ESG World Equity			17.87	18.22	23.55	-17.92		
MSCI World (net) ⁽¹⁾			11.37	12.26	20.78	-12.19		
VALUE ADDED			6.50	5.96	2.77	-5.73		

Note: The inception date is June 1, 2019. Returns for periods greater than 12 months are annualized.

(1) The benchmark was hedged to the U.S. dollar up to December 31, 2020

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INVESTMENT PROCESS



EXAMPLES OF COLLABORATIVE INITIATIVES

- Statement of support for the Green New Deal (2019)
- Investor letter to governments in the context of COP25 (2019)
- Letter from global investors to governments of the G20 nations calling them to achieve the objectives of the Paris Agreement (2019)



INVESTMENT TEAM

Nelson Cabral, M.Sc., CFA
Portfolio manager
Experience: 17 years
Team member since 2011

Gabriel Laprise, B.Eng., MSc.A., CFA
Quantitative Analyst
Experience: 5 years
Team member since 2018

ESG RESEARCH

Véronique Marchetti, CFA
Analyst
Experience: 18 years
Team member since 2010

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Sources: MSCI, DGAM, as at December 31, 2023

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The performance shown is that of a composite of portfolios that invest solely in companies that meet DGAM’s requirements in terms of ESG practices. The inception date of the Composite is June 1, 2019. Performance results are presented gross of management and administrative fees and net of transaction fees. Past performance is not necessarily indicative of future performance. The information and opinions herein are provided for informational purposes only and are subject to change based on market and other conditions. It should not be relied upon as the basis for your investment decisions. This document is not and should not be construed as a solicitation or offering of units of any fund or other security in any jurisdiction. No part of this document may be reproduced in any manner without the prior written permission of DGAM.