

Investment Policy



Table of Contents

	Page
Section 1 – Definitions and Goals and Purpose	
Definitions	3
Goals and Purpose	3
Section 2 – Fund Governance, the Investment Committee, Manager & Custodian	
Fund Governance	3
The Investment Committee	3
The Manager	4
The Custodian	4
Section 3 - Foundation Overview and Investment Implications	4
Foundation Overview	4
Investment Implications	4
Section 4 - Fund Objectives, Beliefs, and Benchmark	5
Fund Objectives	5
Investment Beliefs	5
Benchmark Portfolio	5
Section 5 – Manager Structure and Evaluation	5
Fund Manager Structure	5
Quantitative Evaluation	5
Qualitative Evaluation	6
Section 6 - Asset Mix and Rebalancing Policies	6
Asset Mix Policy	6
Rebalancing Policy	6
Section 7 - Conflict of Interest Policy	6
Those Governed	6
Conflict of Interest	6
Procedure on Disclosure	7
Section 8 – Miscellaneous	7
Lending of Securities	7
Derivatives	7
Liquidity	7
Voting Rights	7
Valuation of Investments	7
Section 9 – Statement Review	8
Appendix A	
Endowment Fund and Disbursement Reserve Account	9
Investment Objectives	9
Varia	9
Appendix B	
Fiera Balanced Ethical Fund Investment Policy Statement	10
Appendix C	
Fiera Cash-in-Action Fund Investment Policy Statement	17

Section 1 – Definitions and Goals and Purpose

Definitions

I. In this policy:

- a) **Benchmark Portfolio** means the portfolio described in Appendix A and Appendix B of this Statement.
- b) **Board** means the Board of Directors of the Foundation.
- c) **Consolidated Investment Fund** means the aggregate of the assets which the Foundation holds as investment capital or as re-invested Investment Earnings in each individual endowment fund.
- d) **Custodian** means the custodian(s)/trustee(s) appointed by the Foundation to hold the Consolidated Investment Fund.
- e) **Foundation** means The Community Foundation of Nova Scotia Society.
- f) **Investment Committee** means a sub-committee of the Foundation's Board.
- g) **Investment Earnings** means the gross return on investment obtained on the Consolidated Investment Fund including interest and dividends received, accrued interest, and realized and unrealized capital gains/losses, net of transaction and custodial fees, applied on a proportional basis to each endowment fund.
- h) **Manager(s)** means the Fund Manager(s) appointed by the Foundation to manage the Consolidated Investment Fund.
- i) **Statement** means this Statement of Long-Term Investment Policies and Goals.

Goals & Purpose

- 1.1 The primary goal of the Foundation is to provide its beneficiaries with a reasonably stable flow of income that maintains its purchasing power over the long term.
- 1.2 This Statement applies only to the Foundation's Consolidated Investment Fund and addresses the manner in which the Consolidated Investment Fund shall be invested. The Foundation has prepared this Statement to ensure continued prudent and effective management of the Consolidated Investment Fund. Investments shall be selected in accordance with the criteria and limitations set forth herein and in accordance with all relevant legislation. This Statement also defines the management structure and other procedures adopted for the ongoing operation of the Consolidated Investment Fund.

Section 2 – Fund Governance, the Investment Committee, Manager(s) & Custodian(s)

Fund Governance

- 2.1 The Foundation is responsible for the overall management of the Consolidated Investment Fund. The Foundation acts through its Board in discharging its duties. The Board has delegated tasks to an Investment Committee which, in turn, has delegated tasks to employees of the Foundation and to various agents retained to assist in carrying out its duties in respect of the Consolidated Investment Fund. The Board, however, retains overall responsibility for the Consolidated Investment Fund. The Board has allocated its responsibilities in respect of the Consolidated Investment Fund as set out below.

The Investment Committee

- 2.2 The Investment Committee shall:
 - a) Establish and adopt the Statement;
 - b) Review the Statement at least bi-annually, and confirm or amend it as needed;
 - c) Recommend to the Board a Custodian to hold the Consolidated Investment Fund;
 - d) Recommend to the Board a Manager to manage the Consolidated Investment Fund;

- e) Periodically review and evaluate the Manager(s) and its performance, including:
 - (i) A bi-annual evaluation of the rates of return achieved and a comparison of them to the objectives established;
 - (ii) A bi-annual evaluation of the degree of risk assumed in the pursuit of investment returns; and
 - (iii) At least every three years a review of the Manager(s) in the context of the criteria used for its appointment;
- f) Delegate tasks relating to the overall management of the Consolidated Investment Fund to select employees of the Foundation and/or to select agents retained for that purpose; and
- g) Report to the Board regarding the completion of its responsibilities at least semi-annually.

The Manager(s)

2.3 The Manager(s) shall:

- a) Manage the Consolidated Investment Fund, subject to all relevant legislation and the constraints and directives contained in this Statement and in any supplementary document provided by the Investment Committee;
- b) Provide quarterly written reports of investment performance results with a minimum of bi-annual meetings;
- c) Submit annual certificates attesting to its compliance with the Statement, and notify the Investment Committee if, at any time, an investment or group of investments does not comply with this Statement; and
- d) Identify provisions in this Statement that may need to be revised due to new investment strategies or changes in the capital markets.

The Custodian(s)

2.4 The Custodian(s) shall:

- a) Perform the regular duties required of a Custodian(s)/trustee(s) by law;
- b) Perform the duties required of a Custodian(s) pursuant to agreements entered into from time to time with the Foundation;
- c) Provide the Investment Committee with periodic portfolio reports of all assets of the Consolidated Investment Fund and transactions during the period; and
- d) Be governed by the Code of Ethics and Standards of Professional Conduct of the CFA Institute.

Section 3 - Foundation Overview and Investment Implications

Foundation Overview

- 3.1 The Foundation is a registered charity as defined in the *Income Tax Act*. The Foundation utilizes a disbursement formula (see Disbursement Policy), as may be amended periodically, in order to provide grants to certain beneficiaries perpetually into the future. Generally it is expected that this disbursement formula will be based on the expected investment return net of inflation, applied to the Consolidated Investment Fund (see Section 4.2). Under this arrangement current and future beneficiaries bear the investment risk.

Investment Implications

- 3.2 The level of volatility of disbursements to beneficiaries will depend on the volatility of returns and the disbursement formula (see Disbursement Policy) that is used. Therefore, to assess the risk tolerance of the Foundation, it is important to consider the risk tolerance of its beneficiaries and any risk mitigating

impact that the disbursement formula may provide. In addition, consideration needs to be given to the preferences of the donors. The asset mix is expected to reflect the risk tolerance of a range of beneficiaries and the expectations of a range of donors, given the asset mix outlined in Appendix A and Appendix B (as relevant to the manager). The Investment Committee has undertaken to invest the Consolidated Investment Fund in conformity with this Statement, and neither the Board nor the Foundation will be responsible to the donors or the beneficiaries for any loss suffered by the Consolidated Investment Fund so long as the Investment Committee invests and manages the Consolidated Investment Fund in conformity with this Statement, exercising the care, skill, diligence and judgement that a prudent investor would exercise.

Section 4 - Fund Objectives, Beliefs, and Benchmark

Fund Objectives

- 4.1 The Investment Committee shall manage the Consolidated Investment Fund on a “going concern” basis with the primary objective of maximizing risk-adjusted returns of the Fund and annual cash flow management consistent with accepted risk tolerance levels.
- 4.2 To preserve in real dollar terms the capital of fund assets.
- 4.3 The Investment Committee targets the Consolidated Investment Fund to earn at least 4.0-5.0% net of inflation, over a 4-year rolling period for the portfolio to accommodate the Foundations annual income disbursement.

Investment Beliefs

- 4.4 The Investment Committee will from time to time review and confirm its investment beliefs. Currently, the Investment Committee believes that:
 - a) Equity investments provide greater long-term risk-adjusted returns than fixed income investments, although with greater short-term volatility;
 - b) It is prudent to diversify the Consolidated Investment Fund across the major asset classes;
 - c) Investment managers with active mandates can enhance risk-adjusted returns through security selection and asset allocation strategies;
 - d) Investment managers with active balanced mandates can reduce portfolio risk below the risk of a portfolio with a static asset mix and should add value through security selection and asset allocation strategies;.
 - e) The committee has the resources and skill to identify and recommend investment managers to the Board; and
 - f) The committee considers asset management fees as part of the overall investment decision-making process.

Benchmark Portfolio

- 4.5 The Investment Committee believes that a portfolio (the “Benchmark Portfolio”) invested in the relevant target or benchmark asset mix (based on market value) described in Appendix A or Appendix B of this Statement can, over the long term, achieve the stated investment objectives.

Section 5 – Manager Structure and Evaluation

Fund Manager Structure

- 5.1 The Investment Committee has retained a Manager(s) and shall invest in the Manager’s pooled funds (the

“Pooled Funds”) to achieve the Consolidated Investment Fund’s rate of return objectives. Copies of the Manager’s investment policy statements for the Pooled Funds are attached as Appendix A or Appendix B, and the Investment Committee adopts the guidelines of those statements.

Quantitative Evaluation

- 5.2 The primary, overall performance objective for the Manager(s) shall be to exceed the returns that could have been earned by passively investing in the component benchmark indices of the relevant Benchmark Portfolio over a four-year rolling period.
- 5.3 For the purpose of measuring rates of return of the Consolidated Investment Fund, all returns shall be measured before investment management fees, but after transaction costs, and over a rolling four-year period. All index returns shall be total returns. All foreign index returns shall be Canadian dollar returns.

Qualitative Evaluation

- 5.4 The Committee shall evaluate the Manager(s) on qualitative criteria with the following frequency:
- a) Overall adherence to this Statement; Bi-annually
 - b) Consistency of the Manager’s portfolio activities, style and philosophy with its stated style and strategy; Bi-annually
 - c) Retention of the Manager’s professional staff and replacement of the Manager’s staff lost by retirement, resignation, etc.; Annually
 - d) Quality of communication with the Investment Committee; Annually
 - e) Competitiveness of fees; Every three years
 - f) Characteristics of the Manager’s firm (e.g., ownership, growth in assets under management, client retention/loss, etc.); Annually
 - g) Consistency of key personnel and their role in investment decisions. Annually

Section 6 - Asset Mix and Rebalancing Policies

Asset Mix Policy

- 6.1 The Asset Mix policy shall be as stated in Appendix A, B, or C of this Statement.

Rebalancing Policy

- 6.2 The manager(s) shall have discretion to rebalance within specific ranges within the Investment Guideline Asset Mix, Appendix A, Appendix B, or Appendix C. It is not necessary for the Committee to rebalance the Fund.

Section 7 - Conflict of Interest Policy

Those Governed

- 7.1 This policy applies to the Foundation, the Board, the Investment Committee and other sub-committees of the Board, the Manager(s), the Custodian, and any employee, agent, or third party retained by any of the foregoing to provide services to the Foundation.

Conflict of Interest

- 7.2 Any person or group listed above may not exercise their powers in their own interest or in the interest of

a third person, nor may they place themselves in a situation of conflict or potential conflict between their personal interest and their duties with regard to the investment of the Consolidated Investment Fund.

- 7.3 Any person or group listed above shall disclose any direct or indirect association or material interest or involvement that would result in any actual, potential or perceived conflict of interest with regard to the investments of the Consolidated Investment Fund. Without limiting the generality of the foregoing, this would include material benefit from any asset held in the Consolidated Investment Fund, or any significant holding, or the membership on the boards of other corporations, or any actual or proposed contracts with the any agent of the Foundation.

Procedure on Disclosure

- 7.4 Any person or group listed above shall disclose in writing the nature and extent of his or her interest to the Foundation immediately upon first becoming aware of the conflict. The disclosure must be made orally if the knowledge of the conflict arises in the course of discussion at a meeting.
- 7.5 If the party disclosing the conflict has the capacity to participate in or to make decisions affecting the investment of the Consolidated Investment Fund, the party may only continue to participate with the approval of the Foundation. The party may elect not to participate with respect to the issue in conflict. If the party disclosing the conflict has voting powers, the party may continue to participate with respect to the issue only with the unanimous approval of the other participants with voting rights. The party's notification shall be considered a continuing disclosure on that issue for purposes of the obligations outlined by this policy.

Section 8 - Miscellaneous

Lending of Securities

- 8.1 The Consolidated Investment Fund itself may not enter into securities lending agreements, although the Pooled Funds may do so if their policies so permit.

Derivatives

- 8.2 The Consolidated Investment Fund itself may not invest directly in derivatives, although the Pooled Funds may do so if their policies permit.

Liquidity

- 8.3 The Funds are to be invested in strategies that are valued daily and are highly liquid, with the exception of investments allocated to alternatives with a monthly or quarterly valuation frequency.

Voting Rights

- 8.4 The Investment Manager shall exercise all voting rights through the investments of the Pooled Funds.

Valuation of Investments

- 8.5 The Custodians of the Pooled Funds shall value the Pooled Fund units.

Section 9 - Statement Review

- 9.1 The Committee shall review the Statement at least bi-annually, taking into account whether any developments such as the following have occurred:
- a) Governance changes;
 - b) Changing investment beliefs;
 - c) Changing risk tolerance;
 - d) Changed expectations for the long term risk/return trade-offs of the capital markets;
 - e) New investment products;
 - f) Changes to legislation; and
 - g) Any practical issues that arise from the application of this Statement.

APPENDIX A – Endowment Fund and Disbursement Reserve Account

Appendix “A” (as reviewed by Fiera Capital, external Investment Manager, and approved by both the Investment Committee and Board of Directors)

Investment Objectives

The primary objective in investing the assets of the **Endowment Fund** of the **Community Foundation of Nova Scotia** shall be the preservation and enhancement of the value of the trust capital through prudent diversification of high-quality investments, currencies and asset classes.

The primary objective in investing the assets of the **Disbursement Reserve Account** of the **Community Foundation of Nova Scotia** shall be the preservation of capital while ensuring prudent diversification.

The Endowment Fund is expected to be invested in the Fiera Balanced Ethical Fund and the Disbursement Reserve Account is expected to be invested in the Fiera Cash-in-Action Fund. The policies relating to the benchmark portfolio, allowable securities, asset mix, and other restrictions for each fund are included in Appendix B and C, respectively.

Varia

- The investment manager is delegated the responsibility of exercising all voting rights acquired through the Trust’s investments.
- The investment manager will meet with the Investment Committee bi-annually to review fund performance and objectives as compared to that of the benchmark portfolio. The Foundation’s Investment Committee will review the investment policy and objectives every year in consultation with the Manager.
- The investment Manager will certify compliance with the Investment Policy Guidelines on a quarterly basis.

APPENDIX B: Fiera Balanced Ethical Fund

Excerpts below are from Fiera Capital's Balanced Ethical Fund Investment Policy Statement, updated April 1, 2025.

INVESTMENT SUMMARY

Investment Objective

The investment objective of the Fund is to provide total long term returns through income and capital appreciation. To attain this objective, the Fund will invest in a well-diversified portfolio of securities. The Fund will also respond to environmental, social and governance (ESG), as well as ethical considerations established by the Fund.

Performance Objective

The Fund seeks to generate a total annualized return, over four-year rolling periods, above the annualized blended benchmark's return. The benchmark is constructed using the reference indices and targets specified in the section below.

Target Allocation

The target allocation of the Fund is as follows:

Asset Class	Min (%)	Target (%)	Max (%)	Reference Index
TRADITIONAL INCOME				
Cash and Money Market	0	0	15	FTSE Canada 91 Day TBill Index
Fixed Income	0	25	50	60% FTSE Canadian Short Term Bond Index; 40% FTSE Canadian Universe Bond Index
SUBTOTAL	10	25	65	
NON-TRADITIONAL INCOME				
Private Credit	0	5	15	60% FTSE Canadian Short Term Bond Index; 40% FTSE Canadian Universe Bond Index
Real Assets	0	15	25	60% FTSE Canadian Short Term Bond Index; 40% FTSE Canadian Universe Bond Index
SUBTOTAL	0	20	40	
TRADITIONAL CAPITAL APPRECIATION				
Canadian Equities	10	20	30	S&P/TSX Composite Index
U.S. Equities	0	10	20	S&P 500 Index (CAD)
International Equities	0	10	20	MSCI EAFE Net Total Return Index (CAD)
Global Equities	0	10	20	MSCI World Net Total Return Index (CAD)
SUBTOTAL	30	50	90	
NON-TRADITIONAL CAPITAL APPRECIATION				
Private Equity	0	5	10	MSCI World Net Total Return Index (Hedged in CAD)
SUBTOTAL	0	5	10	

GUIDELINES

Only the investments stated below are permitted, in accordance with the constraints specified for each asset class. All constraints are based on market value unless otherwise specified.

The Fund may actively deviate from some or all of its strategic target weights as presented in Section 1.3, based on Fiera Capital's Tactical Asset Allocation ("TAA") strategy. The TAA strategy, as prescribed by the Global TAA team of Fiera Capital, seeks to add value with improved risk-adjusted return by tactically over or underweight asset classes based on a 12 to 18-month horizon. The Fund will implement the prescribed TAA strategy at a scale of 25% in terms of the size of the over/under weights using available investment vehicles as allowed by this investment policy. The implementation method and the use of investment vehicles for the TAA strategy are selected on a best-effort basis at the discretion of Fiera Capital and subject to the availability, appropriateness and liquidity of available investment options within the constraints of this investment policy. Regardless of its TAA implementation, the Fund will remain within the strategic minimum and maximum bounds indicated in Section 1.3.

Cash and Money Market

- Permitted securities: cash, demand deposits, treasury bills, short-term notes, bonds, bankers' acceptances, government paper, term deposits, guaranteed investment certificates or other financial instruments issued by chartered banks, insurance companies, trust companies or savings banks, commercial paper, strip coupons and strip bonds, floating-rate securities (adjusted at least twice a year).
- The following constraints measured on the total value of the Money Market component (and not the total value of the Fund) must be respected:
 - The maturity for permitted securities must not exceed one year.
 - All corporate securities of the Money Market component must have a minimum credit rating of R-1 Low by the Dominion Bond Rating Services (DBRS) or equivalent.

Fixed Income

- Permitted securities: bonds (non-convertible), strip coupons, bond residuals or real return bonds issued, guaranteed or backed by the Government of Canada, a province, a municipality. Canadian corporate debentures or bonds, asset-backed securities, mortgage-backed securities, mortgage loans, term deposits, guaranteed investment certificates and insurer-backed contracts, and U.S. Pay bonds issued by Canadian governments or corporations, supranational organizations or the Government of the United States. Maple bonds are also allowed.

Duration

- The duration of the Fund's Fixed Income component will be maintained within a range of +/- 1.5 years of the duration of its reference index.

Credit Quality and Issuer Limits

- Limits per type of issuer and security as a percentage of the Fixed Income component of the overall Fund:

Issuer	Minimum	Maximum
Government of Canada (and guarantees)	0%	100%
Government of a Canadian province (and guarantees)	0%	90%
Municipalities and government-backed	0%	90%
Corporate bonds	0%	70%
Maple bonds	0%	15%

Security	Minimum	Maximum
Real return bonds	0%	10%
Asset-backed securities including mortgage-backed securities	0%	20%
Foreign-pay bonds	0%	10%

- Credit risk is controlled by restricting the market value of the Fund's Fixed Income component's investment in non-government BBB rated bonds to no more than 20%.
- A maximum of 5% of the value of the Fund's Fixed Income component may be invested from a single corporate issuer.
- The Fixed Income component must include more than twenty-five (25) securities. The Fixed Income component takes into consideration the concerns of its unit holders with regard to issues of an ethical nature. The fundamental criteria are listed in section 3.4 and 3.5. These criteria are reviewed annually and may be changed as required to reflect the needs of the unit holders.

Private Credit

- Strategies that seek to provide stable returns mainly through income generation, by lending directly or via underlying strategies to borrowers in domestic and foreign geographies across various sectors of activity, including residential and commercial real estate, lower and middle market corporate lending, and other asset-based lending.

Real Assets

- Strategies that seek to provide stable returns and income by investing directly, through underlying strategies, or through listed securities, in income generating investments in the Real Estate, Infrastructure, Agriculture, Natural Resources, and other real asset-related sectors.

Canadian Equities

- Permitted securities: common stocks, subscription rights and warrants, index participation units (as such term is defined by Canadian securities regulatory authorities), instalment receipts, income trust, real estate investment trusts of issuers that are incorporated, established or formed under Canadian federal, provincial, or territorial legislation and are listed, or in the case of rights and warrants, the underlying securities are listed, on a Canadian stock exchange recognized by Canadian securities regulatory authorities.
- The following constraints measured on the total value of the Canadian Equities component (and not the total value of the Fund) must be respected:
 - The Canadian Equities component must include at least twenty-five (25) securities.
 - A maximum of 10% of the value of the Canadian Equities component shall be invested per issuer.
 - The Canadian Equities component shall invest its assets in at least 6 sectors of the Reference Index, as defined by the Global Industry Classification Standard (GICS).
 - The Canadian Equities component takes into consideration the concerns of its unit holders with regard to issues of an environmental, social and governance nature. The fundamental criteria are listed in section 3.4 and 3.5. These criteria are reviewed annually and may be changed as required to reflect the needs of the unit holders.

U.S. Equities

- Permitted securities: common stocks, subscription rights or warrants, participation units, fiduciary trusts, and American Depositary Receipts (ADR) of issuer that are US Companies and that are traded on a recognized US stock exchange. In the case of rights and warrants, the underlying securities are listed on a US stock exchange.
- The following constraints measured on the total value of the U.S. Equities component (and not the total value of the Fund) must be respected:
 - The U.S. Equities component must include at least twenty (20) securities.
 - A maximum of 10% of the market value of the U.S. Equities component shall be invested per issuer.
 - The U.S. Equities component shall invest assets in at least 6 sectors of the Reference Index, as defined by the GICS.
 - The U.S. Equities component takes into consideration the concerns of its unit holders with regard to issues of an environmental, social and governance nature. The fundamental criteria

are listed in section 3.4 and 3.5. These criteria are reviewed annually and may be changed as required to reflect the needs of the unit holders.

International Equities

- Permitted securities: common stocks, subscription rights or warrants, participation units, Income trust, Global Depositary Receipt (GDR), ADR and other securities with equity characteristics. In the case of rights and warrants, the underlying securities must be listed on recognized stock exchanges.
- The following constraints measured on the total value of the International Equities component (and not the total value of the Fund) must be respected:
 - The International Equities component must include at least twenty-five (25) securities.
 - A maximum of 10% of the market value of the International Equities component shall be invested per issuer.
 - The International Equities component shall invest its assets in at least 6 sectors as defined by the Reference Index, as defined by the GICS.
 - The International Equities component takes into consideration the concerns of its unit holders with regard to issues of an environmental, social and governance nature. The fundamental criteria are listed in section 3.4 and 3.5. These criteria are reviewed annually and may be changed as required to reflect the needs of the unit holders.

Global Equities

- Permitted securities: Common stocks, subscription rights or warrants, participation units, Income trust, GDR, ADR and other securities with equity characteristics. In the case of rights and warrants, the underlying securities must be listed on recognized stock exchanges.
- The following constraints measured on the total value of the Global Equities component (and not the total value of the Fund) must be respected:
 - A maximum of 10% of the market value of the Global Equities component shall be invested per issuer.
 - The Global Equities component takes into consideration the concerns of its unit holders with regard to issues of an environmental, social and governance nature. The fundamental criteria are listed in section 3.4 and 3.5. These criteria are reviewed annually and may be changed as required to reflect the needs of the unit holders.

Private Equity

- Strategies that seek to acquire an equity participation directly or through underlying funds, in private companies from around the world. The Fund may invest in investment vehicles such as, but not limited to, the Fiera Funds, whose primary focus is to build a diversified global portfolio of corporate private equity investments.

Additional CONSIDERATIONS

The Fund shall not borrow or use the assets of the fund as a loan guarantee. However, the Fund may originate an unexpected short-term overdraft when available cash is insufficient to cover a purchase or Fund redemption. Margin purchases and short sales are prohibited. The following considerations are applied to the entire Fund unless specified otherwise.

Pooled Investment Vehicles

The Fund may invest in, or enter into derivative transactions for which the underlying interest is based on, securities of pooled investment vehicles such as, but not limited to, mutual funds or pooled funds (open-end or closed-end), special purpose vehicles, limited partnerships or income trusts managed by Fiera Capital Corporation (“**Fiera Capital**” or “**Manager**”) or one of its affiliates or associates (the “**Fiera Funds**”).

The Fund has not dedicated any fixed percentage of its assets to investing in the Fiera Funds. Instead, these investments will be made at the Manager’s discretion from time to time.

The Fund will invest in other Fiera Funds only when it is consistent with this Investment Policy. When a decision is made to invest the Fund’s assets in other Fiera Funds, the Manager selects the other Fiera Funds by assessing various criteria including their suitability for the Fund, management style, investment performance, risk and volatility.

The Fund may, directly or indirectly, be responsible for additional fees including, but not limited to, management fees, performance fees, incentive distributions, organizational fees or other fees (the “**Additional Fees**”) in connection with its investments in other Fiera Funds. Such Additional Fees may be paid to Fiera Capital or its affiliates. Please refer to the Fiera Capital *Conflicts of Interest Disclosure* for more information.

Derivatives Instruments

The use of derivatives in the Fund is limited to the following purposes and limited to the asset classes permitted in this investment policy:

- **Permitted securities:** futures, forwards, swaps, options, and Over-the-counter (OTC) securities.
- **Risk Management:** to offset or reduce risks associated with all or a portion of an existing investment or exposure. Cross-hedging is permitted as long as there is a high degree of correlation between changes in the market value of the investment or exposure to be hedged and the hedging instruments.
- **Efficient exposure to certain markets:** to facilitate the replication of equity, fixed income securities, money market instruments, currencies, or other indices or securities in order to reduce transactions costs and achieve greater liquidity.

Securities Lending

The Fund may conclude written securities lending agreements with the Fund’s securities custodian.

Collateral equal to no less than 102% of the market value of the loaned securities, evaluated on the basis of the daily market price, shall be maintained in liquid securities. This percentage may vary according to the applicable legal or contractual requirements. Income from securities lending is shared between the Fund and its custodian of values.

Integration of Environmental, Social and Governance (ESG) Criteria

Environmental, social and governance (ESG) factors are integrated into the fundamental investment decision-making process of the Fund. Fiera Capital is of the view that well-managed companies are generally those that demonstrate high ethical and environmental standards and respect for their employees, for human rights and for the communities in which they do business. These factors are taken into consideration in our fundamental analysis of the investments.

The investment process includes the assessment of the following items in relation to companies: non-financial risk on current holdings and new investment ideas, the identification of key areas of improvement of disclosure and preparedness versus industry peers, the promotion of ESG awareness, and the discussions with company management about ESG risks that could have a negative impact on the value of the company.

Fiera Capital supports the view that companies should maintain policies and procedures with respect to ESG risks that have the potential to materially affect long-term shareholder value. Fiera Capital encourages the adoption of high standards of behavior as a means to maximize long-term shareholder value.

Fiera Capital's Proxy Voting Guidelines document is a key element of its integration of ESG factors in the investment process. Consistent with its proxy voting guidelines, Fiera Capital will exercise its voting rights in order to maintain the highest standard of corporate governance, sustainability of the business and practices of the companies whose shares Fiera Capital holds.

Ethical Considerations

The Fund applies the following ethical filter on the companies included in the Reference Index: a company will be deemed ineligible if it derives more than 10% of its revenue, either directly or indirectly, from the following products or services:

- Adult Entertainment
- Alcohol
- Firearms
- Gambling
- Military Contracting
- Tobacco
- Cannabis

Fiera Capital may deviate from the ESG data provider research findings if Fiera Capital has good reason to believe that its research justifies doing so.

APPENDIX C: Fiera Cash-in-Action Fund

Excerpts below are from Fiera Capital's Cash-in-Action Fund Investment Policy Statement, updated January 1, 2016.

INVESTMENT AND PERFORMANCE OBJECTIVES

Philosophical Approach

The management of the Fund focuses on adding value to the benchmark while strictly controlling and limiting risk. We believe that portfolio strategy should be set in the context of both the longer-term economic outlook and short-term cyclical factors.

Performance Objective

The primary goal of the Fund is the preservation of capital. The Fund will seek to achieve the highest possible income consistent with this low risk profile and the constraints outlined. The Fund's benchmark is the FTSE TMX Canada 30 Day TBill Index.

Investment Process

Investment decisions are based on fundamental analysis of economic and market variables. In addition to our internally generated research, we also receive input from the top investment dealers, economists and consultants in Canada. We have an extensive credit research team whose in depth credit analysis supplements that of external credit rating services.

The manager seeks to add value through adjusting the term of the portfolio in anticipation of rate changes; actively trading between sectors of the market; and analyzing the yield curve to determine best relative value.

Portfolio Holdings

The Fund may invest in:

- Government of Canada treasury bills, notes, debentures and any obligations unconditionally guaranteed by the federal Government of Canada.
- Treasury bills, notes, debentures and any obligations unconditionally guaranteed by a provincial government in Canada.
- Municipal notes, debentures and any obligations unconditionally guaranteed by a municipal government in Canada.
- Foreign government treasury bills, notes, debentures and any obligations unconditionally guaranteed by a foreign government.
- Banker acceptances, certificates of deposits and other instruments issued by a Canadian or foreign bank.
- Commercial paper and corporate bonds of Canadian and foreign corporations.
- Repurchase agreements backed by a minimum of industry standard collateral.

Investment Constraints

- The maximum term to maturity of a single instrument is two years. No more than 20% of Fund will be invested in instruments longer than one year.
- Average term of the fund will range from 15 to 60 days.
- Government guaranteed issues must be at least 40% of the total market value of the Fund.
- Individual non-government issuers will not exceed 5% of the Fund's assets at time of purchase.
- Bankers acceptances, certificates of deposits and other instruments issued by a Canadian or foreign bank will carry a short term rating, at the time of purchase, of R-1(mid) or better by DBRS, or A1 or better by S&P, or P1 or better by Moody's. If applicable, the long term bond rating will be A or better by DBRS, or A or better by S&P, or A2 or better by Moody's, at time of purchase.
- Commercial paper will carry a short term rating, at the time of purchase, of R-1(mid) or better by DBRS, or A1 or better by S&P, or P1 or better by Moody's. Corporate bonds will carry a long term bond rating of A or better by DBRS, or A or better by S&P, or A2 or better by Moody's, at time of purchase.

Pooled Funds

- The Fund may invest in, or enter into derivative transactions for which the underlying interest is based on, securities of pooled investment vehicles such as mutual funds or pooled funds (open-end or closed-end).
- The Fund has not dedicated any fixed percentage of its assets to investing in pooled investment vehicles. Instead, these investments will be made at the Fund's investment manager's discretion from time to time and could range from none to all of the Fund's assets at any point of time.
- The Fund will invest in pooled investment vehicles only when it is consistent with the investment and performance objectives stated above and this Investment Policy. When a decision is made to invest the Fund's assets in pooled investment vehicles, the Fund's investment manager selects the pooled investment vehicles by assessing various criteria including their suitability for the Fund, management style, investment performance, risk and volatility.

Securities lending

The Fund may conclude a written securities lending agreement with the Fund's securities custodian. Collateral equal to no less than 102% of the market value of the loaned securities, evaluated on the basis of the daily market price, shall be maintained in liquid securities. This percentage may vary according to the applicable legal or contractual requirements. Income derived from securities lending is shared between the Fund and its custodian.

Environmental, social and governance (ESG) considerations

Environmental, social and governance (ESG) factors are integrated into the fundamental investment decision-making process of the Fund. Fiera Capital Corporation is of the view that well-managed companies are generally those that demonstrate high ethical and environmental standards and respect for their employees, for human rights and for the communities in which they do business. These factors are taken into consideration in our fundamental analysis of the investments.