

Why Invest in Global Smaller Companies?

Global smaller companies are a significant part of the global investible equity universe. What makes this category attractive, in our view, is its highly fragmented nature, which can provide strong portfolio diversification benefits. Fragmentation can also create inefficiencies that produce greater opportunity for active investors to outperform. Investors can therefore potentially improve the reward-to-risk ratio of their portfolios by adding an allocation to global smaller companies.

Philosophy

We believe that superior investment returns are achieved by taking a long-term, bottom-up, value-oriented approach to investing based on detailed fundamental research and analysis. Our proven philosophy revolves around two long-standing core concepts: Quality and Value

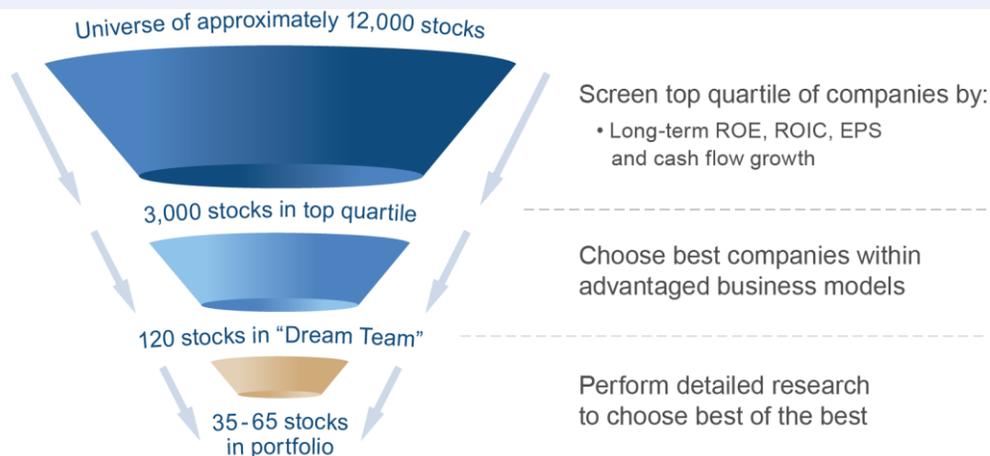
Understanding Quality

- Focus on **key business drivers** (competitive advantage, pricing, cost structure, growth etc.) and the **predictability** of those drivers
- Assess **business performance** in last downturn and subsequent changes to have realistic expectations
- Analyze **true free cash flow** conversion
- Assess **capital allocation** history and **balance sheet strength**
- Track record on **governance** and shareholder alignment

Disciplined on Valuation

- Wait until expectations are low and risk/return more attractive
- Assess value relative to:
 - The company's historic valuation
 - The broader market and its global peers
 - The quality of the company
- Understand changes in the market and/or business and their structural impact on valuation
- Apply absolute valuation cap to reduce downside risk

Narrowing the Investment Universe



Portfolio Management Team

Team Member	Roles and Responsibilities	Year Joined FGP	Year Joined Industry
Ray Szutu, CFA	Analyst and Lead Portfolio Manager, Global Smaller Companies	2018	2006
Stephen Mitchell, CFA	Analyst and Portfolio Manager, Global Equities Co-Portfolio Manager, U.S. Equities	2016	1988
Andrew Aucoin, CFA	Analyst and Portfolio Manager, International Equities	2005	2005
Mohammed Ahmad, CFA, MBA	Analyst and Co-Portfolio Manager, U.S. Equities	1999	1999
Nerojan Varnakumar, CFA	Trader	2021	2014
Maryam Badakhshi, CFA, MBA	Senior Research Analyst	2023	2012

Inception Date
August 31, 2021

Benchmark
MSCI ACWI Small Cap Index (Net)

Currency
CAD

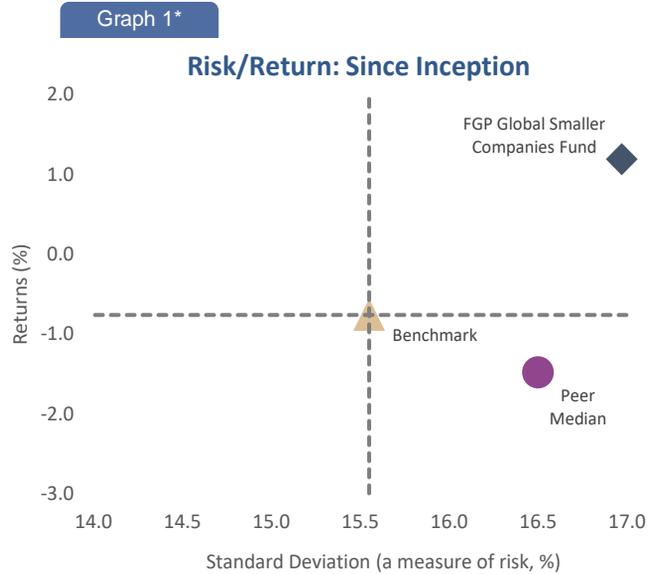
What Differentiates Our Global Smaller Companies Strategy?

Protecting client capital is paramount. We prefer investing in companies that we believe are resilient and stable. Investment candidates must have:

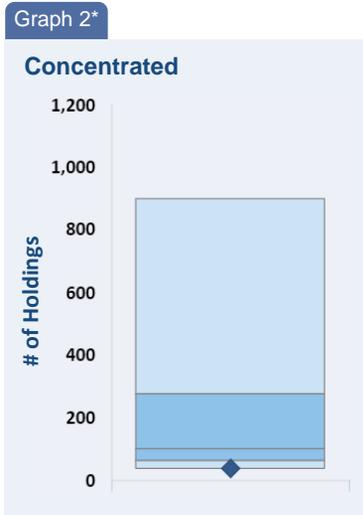
- A strong financial position,
- Clear competitive advantages, and/ or
- Have a high amount of recurring, predictable earnings.

Valuation is a key component of our approach. Finding high-quality companies is not sufficient, as we need to be able to purchase their shares at attractive prices below intrinsic value to generate alpha. We build proprietary financial models to estimate what companies are worth under various scenarios.

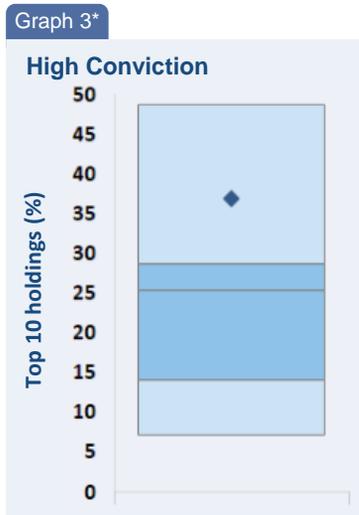
The outcome of this approach is a portfolio that has a lower risk profile than its peers while also providing above average investment returns (**Graph 1**).



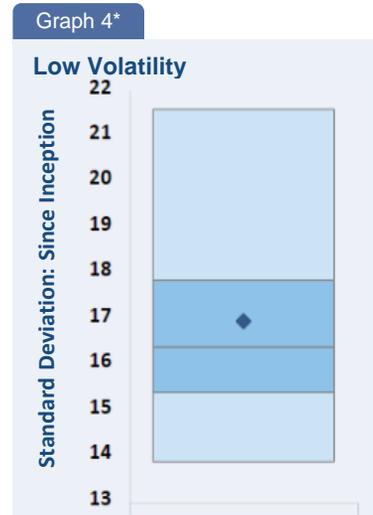
We conduct thorough, fundamental, proprietary research that gives us the confidence to manage **high-conviction, concentrated portfolios that are meaningfully different from the index and our peers** as the below graphs illustrate.



Concentrated Portfolio: The number of holdings in the portfolio are among the fewest (bottom decile) relative to its peers. (**Graph 2**).



High Conviction: The top 10 investments in the portfolio are among the most highly concentrated (top decile) relative to its peers (**Graph 3**).



Lower Volatility: Our focus on capital preservation results in a portfolio with a standard deviation that is in the third quartile relative to its peers (**Graph 4**).

*Source: eVestment as of December 31, 2023

Peer Universe: Global Small Cap Equity

Inception Date	Benchmark	Currency
August 31, 2021	MSCI ACWI Small Cap Index (Net)	CAD

PERFORMANCE (%)**As at December 31, 2023**

Annualized Returns	3M	1 year	2 year	Inception
FGP Global Smaller Companies Fund	10.9	18.1	1.5	1.2
MSCI ACWI Small Cap (Net, C\$)	9.2	13.7	-0.4	-0.8
Value Added	1.7	4.4	1.9	2.0

Calendar Year Returns	2023	2022	2021	2020
FGP Global Smaller Companies Fund	18.1	-12.7	-	-
MSCI ACWI Small Cap (Net, C\$)	13.7	-12.8	-	-
Value Added	4.4	0.1	-	-

Top 10 Holdings	Weight (%)	Sector Allocation (%)
1 International Money Express, Inc.	5.1	Financials 25.1
2 Ipsos SA	4.9	Industrials 21.0
3 Kakaku.com Inc.	3.7	Information Technology 16.9
4 Insperity, Inc.	3.7	Consumer Discretionary 15.2
5 Howden Joinery Group PLC	3.5	Communication Services 8.7
6 Avanza Bank Holding AB	3.4	Real Estate 5.0
7 Nextage Co. Ltd.	3.2	Cash & Equivalents 4.3
8 WEX Inc.	3.1	Materials
9 Expedia Inc.	3.1	Health Care 1.7
10 Autohome Inc.	3.0	Energy
TOTAL	36.8	Utilities
		Consumer Staples

Geographic Allocation	FGP
Canada	2.5
United States	34.4
Europe, ex-United Kingdom	30.4
United Kingdom	12.3
Asia/Pacific, ex-Japan	4.9
Japan	12.3
Emerging Markets	3.1