

## INVESTMENT OBJECTIVE

The FGP North American Equity (Pension Eligible) SMA Strategy (the “Strategy”) aims to generate an attractive total investment return through long-term capital growth as well as dividend and other income. To achieve this, the Strategy will invest primarily in a diversified mix of North American equity securities.

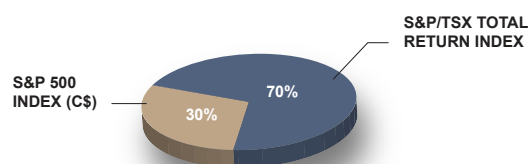
## INVESTMENT STRATEGY

FGP employs a long-term, bottom-up value-oriented approach to security selection. The portfolio manager, supported by FGP’s research team, is responsible for security selection and portfolio construction within FGP’s diversification and risk control guidelines.

## PERFORMANCE OBJECTIVE

The Strategy’s objective is to exceed the return of its Performance Benchmark over rolling five-year periods.

## Performance Benchmark



## Asset Allocation Guidelines

The FGP Investment Committee is responsible for strategic and tactical asset mix decisions.

	MINIMUM	MAXIMUM
Cash & Equivalents	2%	10%
Canadian Equities	70%	88%
U.S. Equities	10%	28%

## PERMISSIBLE INVESTMENTS

Eligible equity investments include publicly-listed common and preferred shares, including foreign companies listed on a Canadian stock exchange. Also eligible are income trust units, real estate investment trusts, royalty trusts and limited partnerships provided they trade on the S&P/TSX and are domiciled in a Canadian province that has enacted limited liability legislation. All assets selected for the Strategy must have a readily ascertainable market value.

Eligible cash and money market investments include cash and demand deposits, short term debt securities of Canadian government(s) and corporate issuers including treasury bills issued by the Federal, Provincial or Territorial governments or any of their agencies; bankers’ acceptances, term deposits, commercial paper, and any other evidences of indebtedness with terms to maturity of less than one year.

Prohibited investments include: private placements, commodities, initial public offerings, unregistered letter stock, warrants, non-Canadian Limited Partnerships, OPALS, derivative instruments, swaps, Global Depository Receipts and other specialized investment activities.

### Diversification and Risk Control Guidelines

The Strategy has established guidelines to ensure the investments of the Strategy are diversified. The assets of the Strategy are invested in a prudent fashion with securities selected for their overall contribution to the investment objective of the Strategy.

**Security Level Guidelines:** The Strategy typically holds 40 to 60 equity securities, and the individual weight for each equity investment will vary based on FGP's assessment of quality. Each security is limited to a maximum weight of 10% of the market value of the Strategy. The minimum credit quality for any short-term money market investments is 'R1' or 'A'.

**Sector Level Guidelines:** The Strategy is required to have holdings in a minimum of six sectors. There is no minimum investment requirement within a sector. Total investments in any sector may not exceed the performance benchmark sector weight plus 10%.

**Market Capitalization (Cap) Guidelines:** The Strategy invests directly and indirectly in a diversified portfolio of stocks, generally with a market cap greater than \$3 billion. Investments of any holding cannot exceed 15% of the company's market cap. The minimum market cap for any direct investment is \$1 billion at the time of purchase.