

FGP INTERNATIONAL EQUITY FUND

Investment Policy Statement | September 30, 2024



INVESTMENT OBJECTIVE

The FGP International Equity Fund (the “Fund”) aims to generate an attractive total investment return through long-term capital growth as well as dividend and other income. To achieve this, the Fund will invest primarily in a diversified mix of non-North American equity securities. The Fund is oriented to taxable individuals and organizations and its objective is to optimize after-tax returns.

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

Performance Benchmark

MSCI EAFE Index (Net, C\$)

PERMISSIBLE INVESTMENTS

Eligible equity investments include publicly-listed common and preferred shares, debentures convertible into common or preferred shares, installment receipts, American Depositary Receipts, Global Depositary Receipts and exchange-traded index participation units.

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, the FGP Money Market Fund, and any other evidences of indebtedness with terms to maturity of less than one year.

The Fund may use derivatives, such as currency forwards as permitted by Canadian securities laws, to hedge against potential currency fluctuations.

The Fund may invest in units of other FGP Funds from time to time. The Fund may invest all of its assets in units of other FGP Funds. In selecting in which (if any) other Funds the Fund may invest, FGP’s portfolio managers consider whether the underlying Fund will contribute to accomplishing the Fund’s investment objectives including managing diversification, liquidity or other investment risks. Investors in the Fund are entitled, on request, to receive a copy of the Offering Memorandum and the annual and interim financial statements of the underlying Fund(s) from FGP at no charge. If a conflict exists between this policy statement and a policy statement of an underlying Fund, the policy statement of the underlying Fund shall prevail.

Diversification and Risk Control Guidelines

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

Security Level Guidelines: The Fund typically holds 30 to 60 equity securities (excludes indirect investments), and the individual weight for each equity investment will vary based on FGP’s assessment of quality. Specific ranges for indirect investments are provided in each relevant FGP Fund Investment Policy Statement. Each security is limited to a maximum of 10% of the market value of the Fund. The minimum credit quality for any short-term money market investments is ‘R1’ or ‘A’.

Sector Level Guidelines: There is no minimum investment requirement within a sector. Total investments in any sector may not exceed 40% of the Fund’s market value.

Cash Level Guidelines: The Fund may have a maximum cash weighting of 10%.

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Country and Regional Guidelines:

COUNTRY/REGION	WEIGHT OF COUNTRY/REGION (%) OF PORTFOLIO MARKET VALUE	
	MINIMUM	MAXIMUM
EAFE (Europe, Australasia, Far East)	75%	100%
Other Countries	0%	10%
Emerging Markets	0%	15%

Market Capitalization (Cap) Guidelines: The Fund invests directly and indirectly in a diversified portfolio of stocks. The minimum market cap for any one security is \$100 million.

FUND FACTS

Fund Code	1017	The units of the Fund are issued and redeemed at the applicable net asset value per unit. The net asset value is determined daily at the close of each business day.
Fund Class	N	
Performance Inception Date	October 31, 2003	
Taxable Investors (Non-Registered Plans)	Eligible	Net investment income and net realized gains on investment are paid to unitholders on a periodic basis as indicated. Distributions are made on a pro rata basis within each class to unitholders of record at the close of business on the second last business day prior to the date of distribution.
Non-Taxable Investors (Registered Plans)	Non-Eligible	
Valuation Frequency	Daily	
Distribution Frequency	Income – Monthly Capital Gains – Minimum Annually	Temporary variances from these investment policy guidelines will generally be corrected within 90 days.
Expense Ratio *	0.06%	
Trustee	CIBC Mellon Trust Co.	The Fund may engage in securities lending.
Custodian	CIBC Mellon Trust Co.	
Auditor	Deloitte LLP	

*The Fund incurs direct expenses for services provided by the Trustee, Custodian, Registrar and Auditor. The 2023 expense ratio for the Fund is presented above. FGP does not charge management fees directly to the Fund.

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