FGP BALANCED FUND

(PREVIOUSLY THE FGP PRIVATE BALANCED FUND)

Investment Policy Statement | August 10, 2026

FOYSTON, GORDON & PAYNE INC.
INVESTMENT COUNSEL

INVESTMENT OBJECTIVE

The FGP Balanced Fund (the "Fund") aims to generate an attractive total investment return through income and long-term capital growth. To achieve this, the Fund will invest primarily in a diversified mix of equity securities and fixed-income securities.

INVESTMENT STRATEGY

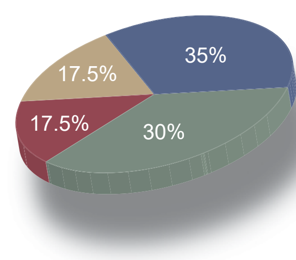
FGP employs a long-term, bottom-up value-oriented approach to security selection. The portfolio managers, supported by FGP's research team, are responsible for security selection and portfolio construction within FGP's diversification and risk control guidelines.

PERFORMANCE OBJECTIVE

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

Performance Benchmark

FGP Balanced Blended Benchmark:



Asset Allocation Guidelines

The FGP Investment Committee is responsible for strategic and tactical asset mix decisions. The Fund presently targets a long-term asset allocation of 35% fixed income and 65% equities, within the following ranges:

ASSET CLASS	MINIMUM	BENCHMARK	MAXIMUM
FIXED INCOME			
Cash and Money Market	0%	-	10%
Bonds and Preferred Shares	20%	35%	60%
TOTAL FIXED INCOME	**20%**	**35%**	**60%**
EQUITIES			
Canadian	20%	30%	55%
Foreign	25%	35%	60%
TOTAL EQUITIES	**40%**	**65%**	**80%**

PERMISSIBLE INVESTMENTS

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

Eligible fixed income investments include bonds, debentures, notes, coupons, residuals and other evidence of indebtedness of Canadian or foreign issuers, whether denominated and payable in Canadian dollars or a foreign currency, mortgage-backed securities, asset-backed securities, floating rate notes, private placements, real return bonds, extendible/retractable bonds, and other fixed income oriented securities including Preferred Shares.

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 fluctuation.

From time to time, the Fund may invest in units of other related funds for which FGP is the manager and adviser ("FGP Funds"). 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 FGP 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 Investment Policy Statement, Offering Memorandum and the annual and interim financial statements of the underlying FGP Fund(s) from FGP at no charge. If a conflict exists between this policy statement and a policy statement of an underlying FGP Fund, the policy statement of the underlying FGP 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.

Equity

Please refer to each relevant FGP Pooled Fund Investment Policy Statement for information relating to: security level guidelines, sector level guidelines, country and regional guidelines, and market capitalization guidelines.

Fixed Income

Please refer to each relevant FGP Pooled Fund Investment Policy Statement for information relating to: security level guidelines, credit quality guidelines, and duration/term to maturity guidelines.

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FUND FACTS

Fund Code	1012
Fund Class	N
Portfolio Adviser and Fund Manager	Foyston, Gordon & Payne Inc.
Performance Inception Date	May 31, 1993
Taxable Investors (Non-Registered Plans)*	Eligible
Non-Taxable Investors (Registered Plans)	Eligible
Valuation Frequency	Daily
Distribution Frequency	Income – Monthly Capital Gains – Minimum Annually
Expense Ratio **	0.18%
Trustee	CIBC Mellon Trust Co.
Custodian	CIBC Mellon Trust Co.
Auditor	Deloitte LLP

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.

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

Temporary variances from these investment policy guidelines will generally be corrected within 90 days.

The Fund may engage in securities lending.

*Includes foundations and endowments

**The Fund incurs direct expenses for services provided by the Trustee, Custodian, Registrar and Auditor. The 2025 expense ratio for the Fund is presented above. FGP does not receive a management fee directly from any FGP Fund in relation to Class N Units.

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