Investing sustainably and responsibly:

Driving positive change in your wealth and the world

Achieving strong, sustainable returns in today's markets demands discipline, agility and a holistic view of all the factors that can enhance your investment portfolio over the long term.

Our overarching investment philosophy

At IG Wealth Management, our investment approach is centred around one common goal: providing investment solutions focused on maximizing risk-adjusted returns over the long term, so our clients can confidently pursue their goals and a more secure financial future for their families.

Asset management expertise that maximizes diversification

In this rapidly changing world filled with an increasing number of asset classes and investment product options, it is virtually impossible for a single advisor or even a single investment firm to specialize in every asset class or investment style.

That's why we believe a properly diversified global investment portfolio must be actively managed. Our investment team's role is to partner with the world's best asset managers and deliver their expertise to our clients through exclusive investment solutions.

A disciplined selection and monitoring process

Each asset manager is selected only after comprehensive consultation and a robust review against key criteria. Performance is regularly reviewed to ensure that any required adjustments or manager replacements are efficiently implemented.

Our continuous oversight process further provides the peace of mind of knowing that as your life evolves and markets shift, your IG Wealth Management Consultant can proactively rebalance your portfolio and tailor the right investment solutions to you.

Aristotle Capital Boston
Beutel Goodman Investment Counsel
BlackRock®
Bristolgate Capital Partners
ChinaAMC
CI Global Asset Management
Fidelity Investments Canada®
Franklin Templeton Investments
IG Investment Management, Ltd.
Irish Life Investment Managers
Jarislowsky Fraser Global Investment Management
J.P.Morgan Asset Management
Mackenzie Investments
Northleaf Capital Partners
PanAgora
PIMCO
Putnam Investments
T.Rowe Price
Wellington Management®

Sustainable and responsible investing principles that emphasize the long term

We also believe that both traditional analysis and qualitative insights are necessary to provide a comprehensive view on which companies are best positioned to grow.

Central to this belief is another key pillar of our investment philosophy: sustainable responsible investing (SRI).

Since 1926, IG Wealth Management has been developing innovative ways to responsibly invest our clients' capital in order to maximize their investment returns.

Today, responsibly investing to achieve your long-term financial goals includes integrating sustainable investment principles in order to generate positive outcomes for your portfolio and the world around us.

IG WEALTH MANAGEMENT INVESTMENT APPROACH

MAXIMIZING RISK-ADJUSTED RETURNS OVER THE LONG TERM

How we define sustainable responsible investing (SRI)

IG Wealth Management clients are increasingly seeking investment solutions that align with their values and priorities – now and for future generations. However, they also want to ensure they don't sacrifice financial returns.

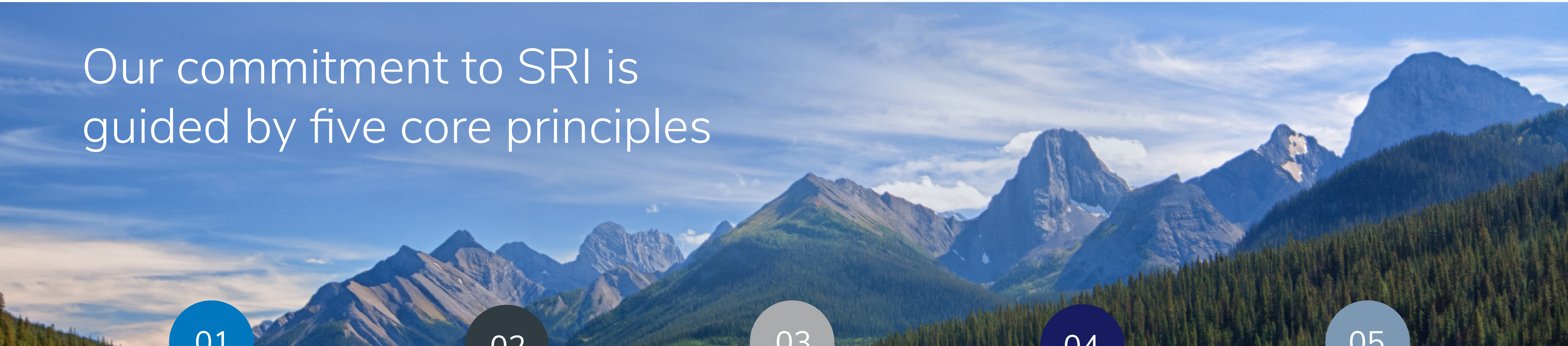
This underscores our commitment to sustainable responsible investing, which is why it's a key pillar of our overarching investment philosophy.

We define SRI as an investment approach that combines material environmental, social and governance (ESG) factors with traditional financial analysis and active ownership.

This approach reduces investment risk while enhancing long-term outcomes for both our clients and the world around us.

There are several other investing strategies and products that fall under the SRI umbrella. While some terms are used interchangeably, it helps to remember that we are focused on a **broader investment approach** that isn't limited to investing in a specific product.

Our commitment to SRI is guided by five core principles



01

ACTIVE PRI SIGNATORY:

IG Wealth Management and our asset managers must be signatories of Principles for Responsible Investment (PRI).

02

AVOID CLUSTER MUNITIONS:

Our asset managers will not knowingly invest in companies involved in the production, use or distribution of anti-personnel land mines or cluster munitions.

03

ESG INTEGRATION:

We require our asset managers to assess material environmental, social and governance (ESG) factors in investment analysis and decision-making, to better understand risks and identify opportunities that maximize investment performance.

04

ACTIVE OWNERSHIP:

We expect our asset managers to be active owners through proxy voting and engagement, to influence and improve company ESG behaviour.

05

COLLABORATION EFFORTS:

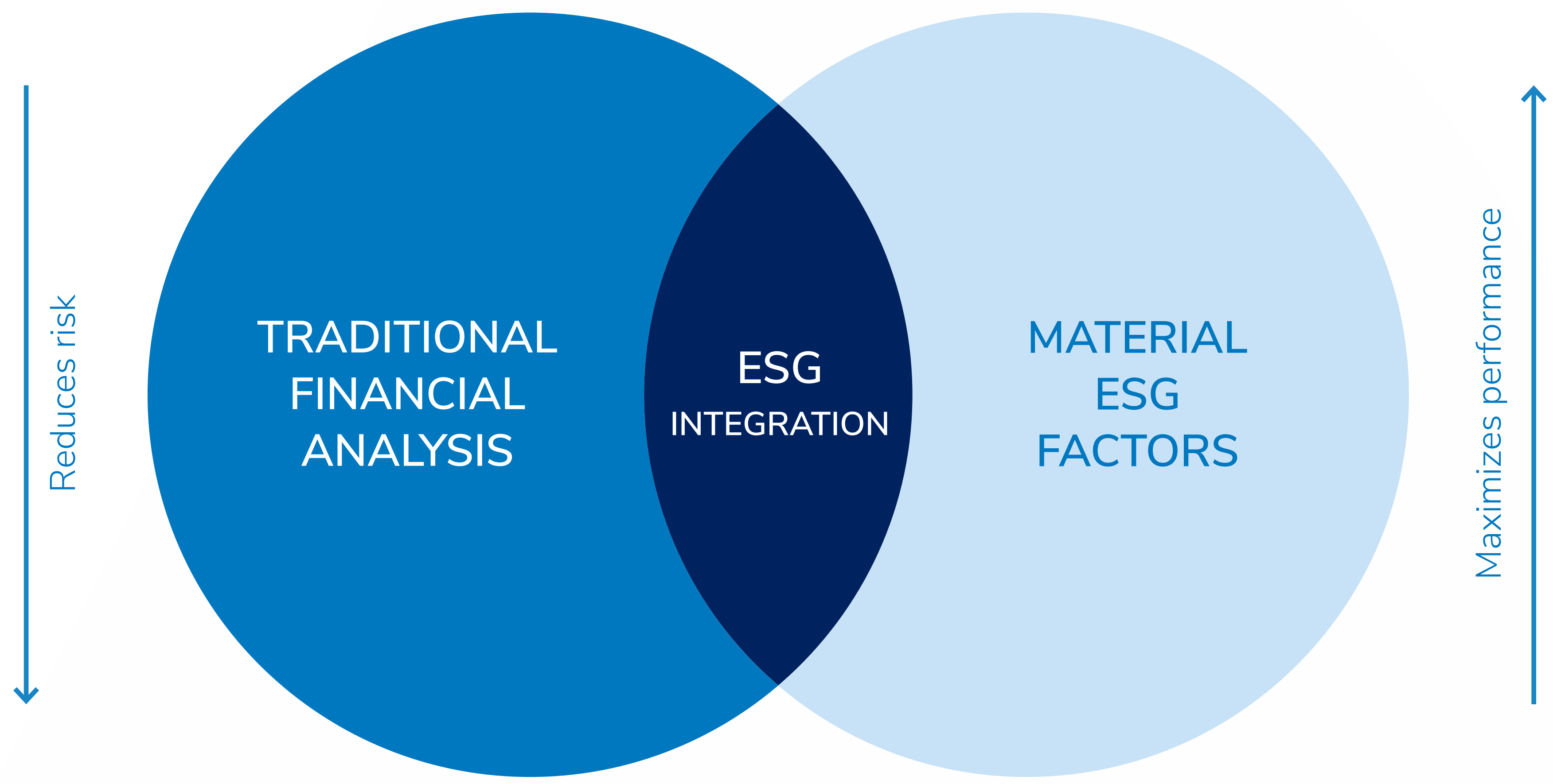
We and our asset managers collaborate with like-minded organizations in order to promote and advance the sustainable and responsible investing landscape.

ESG integration: reducing risk while maximizing performance

We believe that investment decisions are better informed where material ESG factors are considered alongside traditional financial, industry related, macroeconomic and other qualitative factors.

An ESG factor is "material" because it has a significant impact, whether positive or negative, on a company's financial performance. Material factors differ by industry and jurisdiction. Some common ESG factors include employee health and safety, environmental policies, and the quality and diversity of a company's leadership.

This approach results in a truly comprehensive investment assessment, which allows asset managers to better understand, manage, anticipate and mitigate material risks. This further helps us identify opportunities in order to maximize our clients' long-term investment performance.



TRADITIONAL FINANCIAL ANALYSIS
focuses solely on financial metrics that are easily measured and captured in a company's financial statements (for example, income statements).

ESG INTEGRATION
incorporates an additional layer of analysis and decision-making that assesses a company's non-financial material environmental, social and governance factors.

How our asset managers integrate ESG factors

When deciding whether to buy or sell a company, an asset manager will consider material ESG factors along with traditional financial analysis. For example, the extent of a company's greenhouse gas emissions could improve or worsen its financial performance.

Environmental

Asset managers would generally avoid companies that have a high level of environmental risk. Being a polluter or causing environmental accidents can bring about adverse publicity, fines and prosecution. Having a positive impact on the environment can also have a positive impact on performance. A study by the international not-for-profit CDP[1] discovered that companies with leading environmental factors generated greater profitability, had higher dividend growth and experienced considerably lower earnings volatility.

Social

Asset managers look for companies with high labour standards and good relations with employees, customers, suppliers and their communities. As a result, these companies should benefit from better reputations and the ability to attract and retain top talent, and also enjoy higher productivity.

Governance

Asset managers want to see ethical business practices, rigid compliance, transparent policies and accurate accounting, as well as an accountable and diverse board. For example, a recent study[2] discovered that companies with strong female corporate board leadership enjoyed a return on equity of 10.1% versus 7.4% for those without such leadership.

[1] CDP: Climate action and profitability

[2] MSCI: The Tipping Point: Women on Boards and Financial Leadership

Poor ESG factors can damage a company's reputation and share price

It's no surprise that ESG integration is becoming increasingly important to investors. Companies that neglect ESG issues run the risk of damaging their business reputation and long-term growth potential, as well as devaluing their share price. Examples include litigation and fines because of pollution or product boycotts caused by labour exploitation.

When British Petroleum (BP)'s Deepwater Horizon oil rig exploded in the Gulf of Mexico in 2010, it brought about the largest ocean oil spill ever, with huge environmental damage. BP handled the situation badly, misled investors and saw its shares fall by almost 50%. In the end the company had to pay tens of billions in settlements, fines and cleanup-related costs.

In the years preceding this, any asset managers using ESG factors in their investment analysis would have been less likely to invest in this company. They would have discovered that regulators had cited BP for 760 safety violations[3] in the previous three years, and that BP's Texas refinery had exploded five years earlier.

BP failed in all three ESG factors:

Environment: This was one of the worst environmental disasters in U.S. history

Social: In the explosion, 11 workers died and 17 were injured

Governance: BP misled shareholders by underplaying the severity of the oil spill[4]

[3] Vanity Fair: A concise history of Deepwater Horizon's spotty safety record

[4] The Guardian: BP to pay $175m to investors over Deepwater Horizon spill

Active Ownership

As active owners, our asset managers meet regularly with companies' senior management and board of directors to address many financial and non-financial themes.

Material ESG issues are an important part of these discussions. Investment teams promote good ESG company behaviours through active ownership activities, namely engagement and proxy voting.

This results in constructive and open dialogue with companies' leadership, with the goal of improving ESG practices and disclosure of information, which in turn should help create positive societal, environmental and governance outcomes.

It's also important to note that divestment is not the solution – we believe we must actively own a company to influence positive change. Divestment is discouraged and typically used as a last resort. We believe we can have a greater impact and be more able to enact positive change through active ownership, rather than selling companies.

What is Engagement?

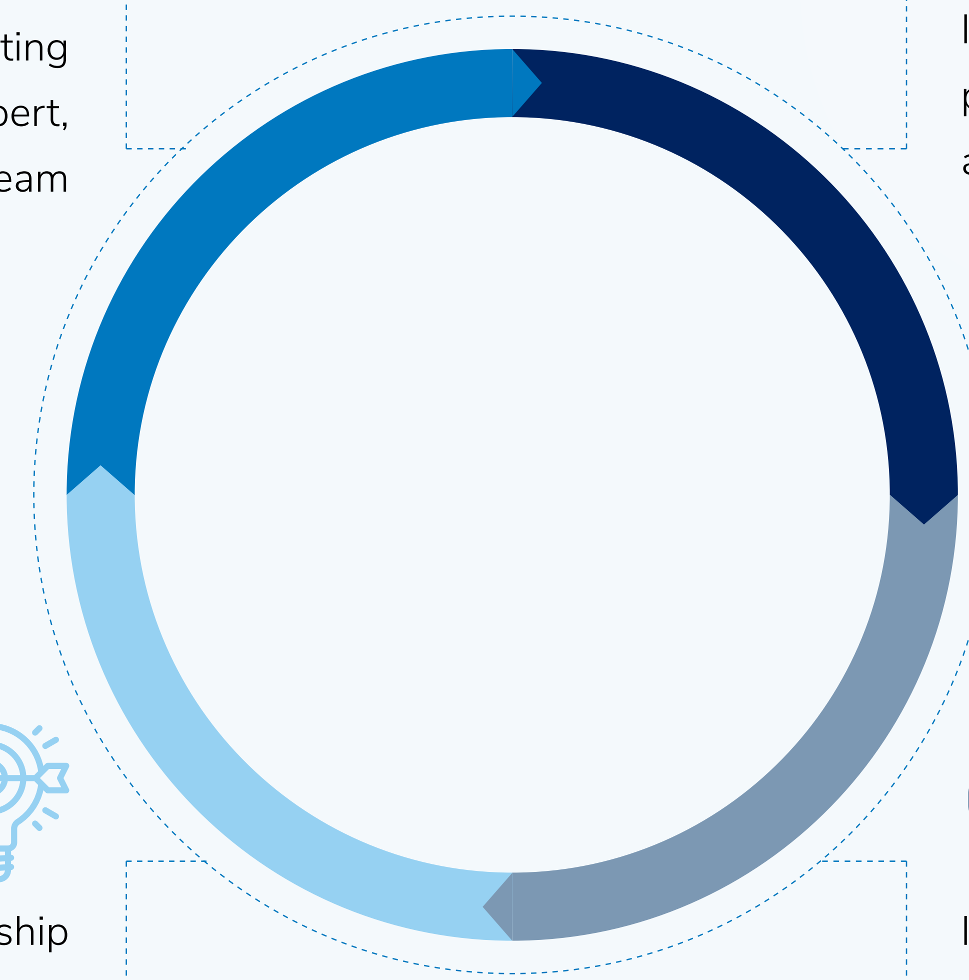
This is a strategy used to communicate with companies in order to influence and improve their ESG business practices. For example, an asset manager might engage with a company's senior management to discuss a concern, such as an unacceptably high level of plastic waste. As a result of this engagement, the company could commit to reducing their plastic packaging by a targeted amount.

What is Proxy Voting?

Asset managers own shares in companies, with each share providing them with a proxy ballot to vote on large issues that impact a company's strategy. For example, this could be a vote on the CEO's compensation package or the disclosure of improved environmental targets. This gives our asset managers the opportunity to positively influence company behaviour.

Keeping our asset managers accountable

To stay committed to our guiding SRI principles, our ongoing oversight process includes an annual comprehensive SRI assessment and a thorough ESG competencies review that expects the following from our asset managers:



Formalized sustainable and responsible investing policies, with an expert, multi-disciplined team

Innovative ESG processes, analytical and reporting tools

Active ownership that drives change in corporate ESG behaviour

Industry thought leadership and sustainable, responsible investing advocacy

[View IG Wealth Management's Sustainable Responsible Investing Policy]

Focus on investment performance

One of the common myths surrounding sustainable and responsible investing is that you will sacrifice returns. However, SRI investors are focused on maximizing risk-adjusted returns, just like traditional investors. In fact, numerous studies and research have demonstrated that incorporating material ESG factors into investment analysis and decisions results in returns that either met or exceeded the performance of traditional investments.

STUDY 1

Factoring in ESG criteria showed a positive or neutral impact on corporate financial performance (investment performance) in 90% of cases[5].

STUDY 2

There is no financial trade-off in returns of sustainable funds compared to traditional funds, and they demonstrate lower downside risk[6].

STUDY 3

Companies that have stronger sustainability practices and standards perform better than peers with weaker practices[7].

STUDY 4

Companies that had high ESG ratings were more profitable, paid higher dividends and showed slightly higher stock prices[8].

STUDY 5

24 out of 26 sustainable index funds outperformed their peers in the wake of the COVID-19 market crash[9].

[5] Journal of Sustainable Finance & Investment: ESG and financial performance.
[6] Morgan Stanley: Sustainable Reality. Analyzing Risk and Returns of Sustainable Funds.
[7] Harvard Business School: Corporate Sustainability: First Evidence on Materiality.
[8] MSCI: Weighing the Evidence: ESG and Equity Returns.
[9] Morningstar: Sustainable Funds Weather the First Quarter Better Than Conventional Funds.

Collaboration

IG Wealth Management, along with our asset managers, collaborates and works with organizations and coalitions that promote positive ESG outcomes. Our goal is to advance the sustainable and responsible investing landscape that is in the best interests of our mandates, our clients and society.

We strongly believe that our voice must be backed by our actions. Examples of collaborative actions include being a signatory to the Principles for Responsible Investment (PRI) and Task Force on Climate-related Financial Disclosures (TCFD), and a member of the Responsible Investment Association (RIA) of Canada.

Principles for Responsible Investment (PRI)

Since 2014, IG Wealth Management has been a proud signatory to the United Nations-supported Principles for Responsible Investment (PRI). The PRI is a global organization of over 3,000 investment companies committed to encouraging and supporting responsible investing practices in the investment industry.

Responsible Investment Association (RIA) of Canada

Since 2017, IG Wealth Management has been a member of the Responsible Investment Association (RIA), Canada's industry association for responsible investing.

Task Force on Climate-related Financial Disclosures (TCFD)

In 2019 IG Wealth Management became a signatory to the Task Force on Climate-related Financial Disclosures (TCFD), which seeks to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers and other stakeholders.

ESG integration, active ownership and collaboration in action

Here are some examples of our asset managers using their power as owners to affect positive ESG change in companies.

Environmental focus: Greenhouse gas emissions

Company: Canadian natural gas producer

Opportunity: Improve business practices to measure and manage methane emissions. Establish a sustainable, competitive advantage and improve the environment, along with long-term value for shareholders.

Activity: Our asset manager held meetings with the company to discuss its damaging methane emissions. The team encouraged the company to increase disclosure of environmental practices, set emissions targets and reduce their overall emissions.

Outcomes: The company reduced its greenhouse gas emissions by 20% and methane emissions by over 70% during a five-year period.

Social focus: Employment practices

Company: Brazilian mining company

Opportunity: Provide employees with safer and fairer employment practices.

Activity: Our asset manager expressed concern over employee working conditions at tailings dams, specifically related to employee safety and retention.

Outcomes: New standards were established to bring improved safety for those specific employees.

Governance focus: Board diversity and independence

Company: European auto manufacturer

Opportunity: Enhance board independence and diversity to improve business practices and equal opportunities and promote more diverse decision-making.

Activity: Our asset manager discussed the relatively low level of independent and diverse board members, encouraging greater diversity and disclosure.

Outcomes: The company considerably increased its independent and female board members and committed to improving gender diversity at the company over the longer term.

IG Wealth Management engagements

The asset managers that manage our clients' capital are continually influencing the ESG behaviour of companies we invest in.

Some examples of this influence can be found among the asset managers who manage the mandates within our **iProfile Private Portfolios**. In 2019, our asset managers had over 740 direct engagements with company management and directors on behalf of our clients.

They identified various ESG factors that they felt could materially affect investment returns. Through engagement and proxy voting, our asset managers improved ESG behaviour, which led to positive environmental, societal and governance outcomes.

743 Engagements

- **309** Environmental
- **166** Governance
- **103** Social
- **165** E,S or G

JARISLOWSKY FRASER
GLOBAL INVESTMENT MANAGEMENT

Canadian Natural Gas company
Environmental Issue
Methane emissions

J.P.Morgan
Asset Management

European Auto manufacturer
Governance Issue
Board composition and diversity

MACKENZIE
Investments

Brazilian Mining company
Social Issue
Labour practices

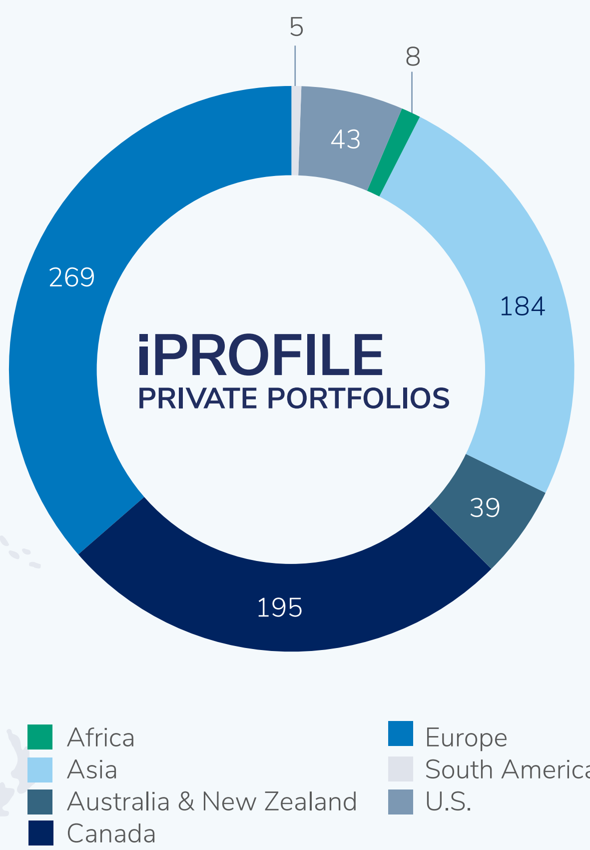
PIMCO

Asian Financial company
Social Issue
Employee standards

BlackRock.

Health Care company
Governance / Social Issue
Drug pricing

ENGAGEMENTS BY REGION



Sustainable and responsible investing is rooted in all our investment products

Ultimately, we believe our investment planning approach provides flexibility and does not limit investment opportunities to specific strategies, companies or suites of products. Instead, it delivers investments that incorporate sustainable and responsible investing at their core.

By being approach-driven rather than product-specific, this helps us create holistic financial plans and deliver client portfolios that are sustainably and responsibly invested, and well diversified.

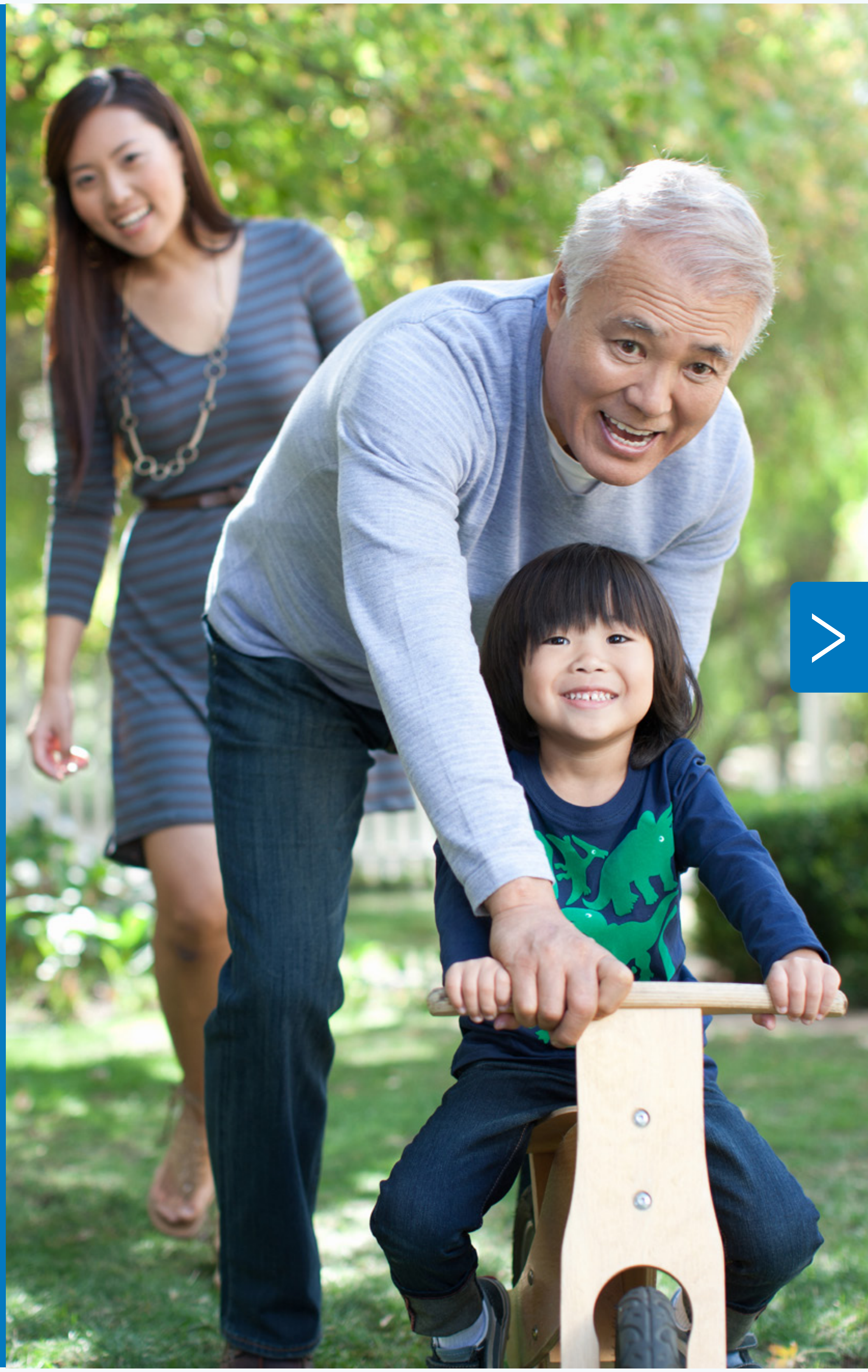
The way forward

Sustainable and responsible investing will continue to evolve, along with our investment approach. By partnering with world-leading asset managers, we will constantly innovate to provide exclusive investment solutions to our clients that are centred around our fundamental goal of maximizing risk-adjusted returns over the long term.

We'll learn from our experiences and proactively adapt to your needs. This includes always taking a holistic view of your evolving goals and synchronizing all aspects of your financial life with your personalized **IG Living Plan**.

To help you stay open to more of life's possibilities, we will continue to encourage sustainable and responsible investing, and its many benefits that include:

- **Aligning with multi-generational families' objectives** by taking a long-term view on financial goals and investment opportunities.
- **Reducing risk and protecting investors' wealth** through an in-depth view of each company's ESG factors.
- **Enhancing long-term investment performance** by identifying companies with strong ESG factors who are well-positioned for the long term.
- **Providing peace of mind to clients** to know that their investment portfolios can help influence and promote good ESG company behaviours and by extension improve the environment and society.
- **Advancing the sustainable and responsible investing landscape** by collaborating with like-minded organizations.



By continuing to invest sustainably and responsibly, we can help protect and grow our clients' wealth and the world that future generations will inherit.

For more information on our investment approach, please speak with an IG Consultant or visit **ig.ca/SRI**.

IG WEALTH MANAGEMENT

At IG Wealth Management, we believe in the power of financial advice to change lives for the better. We are committed to helping Canadians feel empowered about their finances and to improving their ability to achieve their personal financial goals by synchronizing all aspects of their financial lives through the IG Living Plan.*

ig.ca / / / / in

Sources:

[1] CDP: Climate action and profitability

[2] MSCI: The Tipping Point: Women on Boards and Financial Leadership

[3] Vanity Fair: A concise history of Deepwater Horizon's spotty safety record

[4] The Guardian: BP to pay $175m to investors over Deepwater Horizon spill

[5] Journal of Sustainable Finance & Investment: ESG and financial performance: Aggregated evidence from more than 2000 empirical studies

[6] Morgan Stanley: Sustainable Reality. Analyzing Risk and Returns of Sustainable Funds

[7] Harvard Business School: Corporate Sustainability: First Evidence on Materiality

[8] MSCI: Weighing the Evidence: ESG and Equity Returns

[9] Morningstar: Sustainable Funds Weather the First Quarter Better Than Conventional Funds

*To learn more about the IG Living Plan, visit https://www.investorsgroup.com/en/why-us/living-plan