

The logo for Baker Gilmore, featuring the company name in a bold, green, sans-serif font. A vertical green bar is positioned to the left of the text. The logo is set against a white background that is part of a larger graphic element resembling a white arrow pointing downwards, which is superimposed on a blue background with a complex, white, abstract line pattern.

**BAKER
GILMORE**

BAKER GILMORE & ASSOCIATES INC.

RESPONSIBLE INVESTING POLICY

October 2024

1. Purpose

Baker Gilmore & Associates' ("Baker Gilmore") primary focus is to meet clients' performance objectives through investment strategies rooted in rigorous research and executed through disciplined investment and risk management processes. Since the firm's inception, through our research, management meetings and proxy voting, we have considered non-financial factors – including environmental, social and governance (ESG) factors – that may have an influence on an investment's performance.

In 2016, Baker Gilmore became a signatory to the United Nations Principles for Responsible Investing ("UN PRI"). As part of that initiative, we committed to greater disclosure with respect to our approach to the inclusion of ESG factors in our investment processes.

The purpose of this policy is to outline Baker Gilmore's approach to responsible investing and how the firm incorporates ESG issues into the decision-making and investment process.

2. Definitions

RESPONSIBLE INVESTMENT:

An approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

ENVIRONMENTAL:

Issues relating to the quality and functioning of the natural environment and natural systems. These include: biodiversity loss, greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion, pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification and changes to the nitrogen and phosphorus cycles.

SOCIAL:

Issues relating to the rights, well-being and interests of people and communities. These include: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations, diversity, relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection, and controversial weapons.

GOVERNANCE:

Issues relating to the governance of companies and other investee entities. In the listed equity context, these include: board structure, size, diversity, skills and independence, executive pay, shareholder rights, stakeholder interaction, disclosure of information, business ethics, bribery and corruption, internal controls and risk management. In addition, general issues dealing with the relationship between a company's management, its board, shareholders and other stakeholders are also considered. This category may also include matters of business strategy, encompassing both the implications of business strategy for environmental and social issues, and how the strategy is to be implemented.

3. Principles for Responsible Investment

As a signatory of the UN PRI, Baker Gilmore’s ESG framework is shaped by the following set of voluntary and aspirational principles (the “Principles”):

PRINCIPLE 1: We will incorporate ESG issues into investment analysis and decision-making processes.

PRINCIPLE 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

PRINCIPLE 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

PRINCIPLE 4: We will promote acceptance and implementation of the Principles within the investment industry.

PRINCIPLE 5: We will work together to enhance our effectiveness in implementing the Principles.

PRINCIPLE 6: We will each report on our activities and progress towards implementing the Principles.

4. Policy

Baker Gilmore believes ESG issues can have an impact on the value of the investments we manage, and as such, it is important that these issues should be considered throughout our decision-making and investment process, within the investment limits described in our clients’ investment mandates. Baker Gilmore is equipped to offer products and services to meet the specific ESG requirements of our clients.

Consistent with the principles outlined above, Baker Gilmore’s ESG framework therefore includes the following:

INTEGRATION

We recognize that ESG factors can have an impact on the value of our investments and that these factors should be considered to provide a complete view of the value, risk and return potential of an investment. We integrate ESG factors into our fundamental bottom-up research analysis to ensure ESG related risks are recognized in our decision-making and investment process. Third party ESG data from Sustainalytics is used to further support the portfolio managers and analysts with their research.

Incorporation Approach	Issuer type	
	Corporate & Securitized	SSA
Integration Process	Baker Gilmore’s bottom-up fundamental research process focuses on determining credit risk. Risk factors that are analyzed include: management quality, business model, cash flow, bond covenants, industry and red flags. ESG risks are embedded in these risk factors.	For SSA issuers, ESG factors are integrated in Baker Gilmore top-down analysis such as demographics, geopolitics conflicts, regulations, technological innovation, resource scarcity and capital flows related to energy transition (due to a decarbonizing economy), etc.

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EXCLUSION

At the firm level, we do not exclude any sectors or business activities from our portfolios and instead address ESG risks and opportunities through our research and engagement activities

For SRI mandates, negative screens can be implemented after the integration process. Baker Gilmore can use negative screens provided by a third-party provider, which include screens for alcohol, gambling, pornography and adult entertainment, tobacco and related products, weapons, etc. For a client invested in a segregated account, specific companies or sectors that a client would like excluded can also be captured in the negative screening process.

STEWARDSHIP & ENGAGEMENT

We actively engage with management of the companies in which we invest to review issues that we believe are material to the long-term value and sustainability of our investments. The primary objective of our engagement activities is to improve and protect the long-term risk-adjusted returns of our portfolios and advocate for improved, decision-useful information available to investors. Additionally, engagement allows us to better understand companies' approach to mitigating material ESG risks, which informs our investment decisions. In addition, engagement with issuers allows us to share our views on best practices with respect to material ESG issues and/or disclosure of ESG activities within the companies in which we invest. Our engagements are prioritized based on the materiality of ESG risks, the size of our holdings and ability to make an impact. Baker Gilmore does not exclude any escalation strategies, which may include avoiding new debt issues, underweighting, further engagement, or divesting.

As an affiliate of Connor, Clark & Lunn Financial Group, Baker Gilmore receives support from the dedicated Stewardship & Engagement (S&E) team which provides assistance with ESG-related investment resources, collaborative initiatives, training, and reporting.

PROXY VOTING

At Baker Gilmore, we have a fiduciary duty to vote proxies in the best interest of our clients. Proxy voting allows us to communicate our views and influence management of the companies we invest in on ESG related issues.

COLLABORATION

We collaborate and engage with other investors and organizations where possible, including cases where it provides us greater influence to advance and promote responsible investing practices. Additionally, we believe that we have both an opportunity and duty to advocate for the sustainability and integrity of capital markets. As such, Baker Gilmore may participate in engagements with policy makers and regulators on issues related to ESG and responsible investing. We recognize the value of collective action, and as such, we prioritize collaborative stewardship efforts wherever possible.

5. Governance

The Board of Directors and Chief Compliance Officer approve and have oversight of this Policy. The Chief Investment Officer, portfolio managers and investment analysts have a responsibility for the implementation of this Policy. Baker Gilmore's responsible investment activities are reported to the Board on a quarterly basis.

6. Climate change

Baker Gilmore recognizes the importance of integrating the risks and opportunities stemming from climate change in our approach to responsible investing. Baker Gilmore's approach to managing climate-related risk focuses on its integration, engagement and collaboration activities. Each portfolio manager and investment analyst are responsible for ensuring material climate-related risks and opportunities are appropriately considered as part of their investment process and engagement efforts. Baker Gilmore collaboration on climate is also reflected through its collaborative engagement with top-emitting Canadian companies through its participation in Climate Engagement Canada.

7. Reporting and Disclosure

In accordance with the UN PRI, Baker Gilmore reports on its responsible investment activities. Baker Gilmore's PRI Transparency Report is available publicly on the UN PRI website. The Report will be made available upon request. Baker Gilmore's proxy voting records on corporate action events are provided to clients on a quarterly basis.

8. Conflicts of Interest

Baker Gilmore has internal policies and procedures designed to ensure that conflicts of interest will be identified, properly managed and will ensure that we safeguard our clients' interests whenever possible.

Potential and actual conflicts of interest will be overseen by senior management or the Chief Compliance Officer who shall be responsible for the supervision and monitoring of the conflicts identified under this Policy. Where considered appropriate, Compliance may be requested to review the handling or management of a conflict to determine whether the internal procedures applicable to the conflict were followed.

On an annual basis, personnel are required to sign a Personal Conduct Statement for the previous year. The Personal Conduct Statement is based on the CFA Institute Professional Conduct Statement, which outlines the compliance with the CFA Institute Code of Ethics, Standards of Professional Conduct and Rules of Procedures of Professional Conduct.

9. Policy Review

This Policy is reviewed annually or more frequently as required.