

QV INVESTORS

2026 Responsible Investing Update

ENHANCING PERSPECTIVES & DECISION-MAKING



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Introduction

We are pleased to share our sixth annual Responsible Investing (RI) update.

Responsible investors may have varying objectives. At QV, we view ESG-related risks through the lens of business risk. Understanding material ESG factors and how they influence corporate strategy is a fundamental aspect of long-term investing. Our integrated approach to RI complements our bottom-up analysis and contributes to more informed decision-making.

We remain focused on applying our established approach to responsible investing, with the key objective of supporting strong risk-adjusted returns for clients.

Highlights from the past year include:

- Continued use of our proprietary ESG scorecard to provide additional context on material ESG considerations across portfolio companies
- Maintaining our fully independent proxy voting efforts
- Flexible company engagement on material ESG-related matters identified through our research
- Completing our fifth reporting cycle under the Principles for Responsible Investment (PRI) framework
- Renewing our membership in the Canadian Coalition for Good Governance (CCGG)

Continue reading for more information about our RI activities in 2026.



"We believe that assessing material ESG factors can provide important context as we evaluate risk and opportunities for long-term value creation."

— Mathew Hermary, Chief Investment Officer

Our Approach

Fully Integrated

Our comprehensive investment process includes an assessment of strategically material environmental, social & governance (ESG) factors. We integrate these considerations to inform our decision-making and support strong risk-adjusted returns for clients.

Every member of our investment team considers ESG risks and opportunities. We do not have a dedicated individual focused exclusively on ESG factors, as we believe we can achieve better investment outcomes when the same people evaluate all risks and opportunities in context.

Our philosophy and process are consistent across the firm. None of our products are explicitly branded as ESG strategies. We feel active ownership and prudent consideration of ESG factors are key components of any strategy seeking to invest in enduring businesses over the long term.

We don't use ESG factors in isolation to select or exclude assets. We use a bottom-up approach to evaluate material issues and their impact on a specific investment case. While we do not explicitly exclude companies in high-risk and/or controversial industries on a policy basis, these types of companies are less likely to meet our investment criteria.

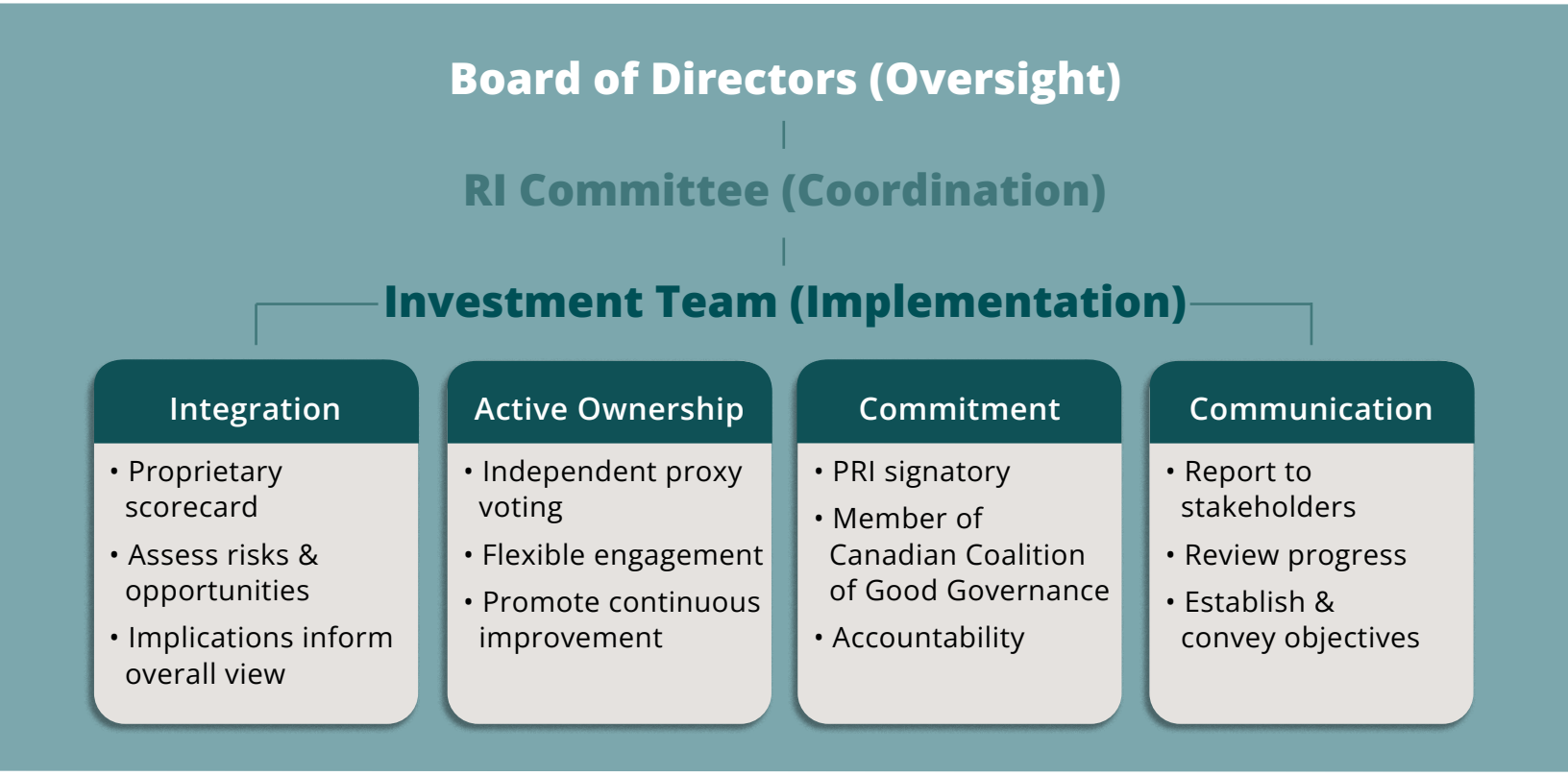
We strive to be active long-term owners. Our investment teams express views on ESG issues and promote continuous improvement through proxy voting and, when required, engagement.



Oversight

Our RI Committee coordinates efforts across the investment team. The Committee meets periodically to collaborate on initiatives, identify areas of focus and discuss topics of relevance. The RI Committee reports directly to our Board of Directors, which helps set priorities and oversee initiatives.

For more information about our approach to Responsible Investing, please refer to our RI Policy (available at https://qvinvestors.com/responsible-investing/).



Integration

We believe good stewardship of ESG risks and opportunities strengthens a business franchise over time, often bolstering an investment thesis. Our ESG assessment is not siloed as a separate consideration; it informs our long-standing investment process.

True to our investment philosophy, we employ a bottom-up approach to ESG assessments. Our investment process begins with company-level analysis, where we seek to uncover quality franchises trading at attractive valuation levels. At this stage, we identify companies' exposure to ESG risks and opportunities, recognizing that today's high-quality businesses aren't immune to current and emerging ESG factors.

Our ESG Scorecard

We use our proprietary ESG scorecard to identify and monitor material ESG factors unique to each investment. We consider how companies manage risks or benefit from opportunities, where improvements are needed, and potential impacts on financial performance. We prioritize our analysis in areas of high materiality, with the overarching goal of understanding how significant ESG factors may impact risk-adjusted returns over time.

While we may use third-party research to bolster our independent analysis, we do not rely on external ESG ratings in our process.

Our ESG analysis and its outcomes are not formulaic. Often more qualitative than quantitative, summary conclusions from our scorecards provide clarity in areas that may be relevant to our long-term investment theses. The identification of ESG risks and opportunities may positively or negatively impact our evaluation of a franchise, including our expectations around its long-term outlook and valuation. These judgements help inform our overall view of a company within the context of our long-standing security selection criteria and may ultimately impact portfolio construction decisions. The process can spark thoughtful and deliberate discussions, internally and with companies directly, about strategic priorities, risk exposures, and opportunities for improvement. Our engagement efforts are discussed in more detail later in this report.

Scorecard Objectives:

- Inform overall assessment.
- Consider potential impacts on financial performance.
- Identify opportunities for engagement.

Inside the Funds

Growth of Artificial Intelligence (AI) and Related Risks

AI's rapid expansion is creating environmental and governance challenges alongside its potential benefits. Rising energy demand from data centres and hardware production may complicate corporate net-zero pathways, while growing AI infrastructure also places pressure on water, minerals and land. At the same time, AI has the potential to support efficiency gains and improve climate modeling.

As AI adoption accelerates, governance and oversight will need to keep pace. Data from ISS Governance shows that fewer than 10% of more than 3,000 U.S.-listed companies disclose some form of board-level AI oversight. Beyond board accountability, cybersecurity, protecting corporate intellectual property, and setting appropriate standards for the quality and reliability of AI-generated outputs are also becoming increasingly important considerations. As the technology and its applications continue to evolve, companies will need effective risk controls, risk management and transparency to manage these emerging risks and build stakeholder confidence in their use of AI.

Cybersecurity as a Test of Franchise Quality

In March 2026, recently added QV holding **Stryker** experienced a cyberattack that affected tens of thousands of employee devices, halting manufacturing and shipping for nearly three weeks while also disrupting electronic ordering. The company appropriately identified the incident as a material event impacting first-quarter results, with organic sales growth slowing to 2.4% and adjusted EPS falling 8.5%.

In reviewing the breach, we placed greater emphasis on management's response than on the breach itself, as a company's response often provides better insight into overall franchise quality from a cybersecurity risk perspective. The company disclosed the incident within hours, briefed customers the following day, and transparently published third-party forensic findings, updating its disclosures as the investigation evolved. Importantly, its corporate environment remained separate from the connected medical devices that underpin the franchise. While some patient-specific procedures were rescheduled, manufacturing was fully restored by early April, full-year financial guidance was maintained (and subsequently raised at the low end of the range), and management reported no customer losses.

We also assessed the company's response against its stated policies. These policies revealed a well-rehearsed incident-response plan, including escalation to the Audit Committee and Board, annual third-party assessments and mandatory employee security training. Management generally performed well against these protocols, although the breach exposed weaknesses in preventive controls, as a single compromised administrator account ultimately triggered a global outage affecting tens of thousands of devices, including some containing personal employee data.

On balance, management's response helped mitigate what could have been a significantly more damaging and costly event. Its handling of the crisis supported our view of Stryker's franchise quality and strong cybersecurity incident-response protocols, while weaknesses in privileged-access controls and employee-facing communications are areas we have identified for future engagement.

>>Impact: Reinforces our view of franchise quality while providing opportunity for follow-up engagement.

Ownership as a Pathway to Long-Term Value

We continue to place considerable importance on ownership alignment as a pathway to value creation. At **Old Dominion Freight Line**, the founding Congdon family still owns approximately 10% of the company (roughly $3.9 billion), while broad ownership extends across executive ranks and front-line employees through 401(k) allocations. The company also generally operates with little to no financial leverage. We believe meaningful insider ownership and a debt-free balance sheet reduce the likelihood of excessive risk-taking, as management has substantial capital at stake to amplify the consequences of a misstep.

Meanwhile, **Microsoft** maintains a single-class share structure, providing minority shareholders with greater voting influence than the founder-controlled, super-voting structures common among some large technology peers. Alignment at the top is also equally strong: CEO Satya Nadella is required to hold company shares worth at least 15x his base salary, while his actual holdings are worth well over 100x his base salary (close to half a billion dollars at current prices). Together, these examples reinforce our view that effective alignment, rather than a particular ownership template, supports long-term value creation when decision-makers have meaningful exposure to the long-term consequences of their decisions.

>>Impact: Supportive of long-term value creation.

Sustainability as a Competitive Advantage

Trex Company Inc. is the inventor and largest manufacturer of wood-alternative composite decking products for the residential market. Its decking is durable and low maintenance, while also incorporating approximately 95% recycled and reclaimed materials, including reclaimed sawdust and recycled plastic film from commercial packaging and household items.

Trex sources reclaimed wood from North American sawmills, cabinet makers and flooring manufacturers, allowing these suppliers to monetize materials that would otherwise be considered waste. Its recycled plastic films come from a range of sources, including the NexTrex Recycling Program, through which the company partners with major retailers, manufacturers, universities and other businesses to collect post-consumer plastics. With more than 32,000 collection points across the US and Canada, Trex has become one of North America's largest recyclers of polyethylene and uses more than 1 billion pounds of would-be waste as raw materials each year.

Importantly, this model also contributes to Trex's competitive advantage. Producing composite decking at scale using reclaimed wood fibres and 100% recycled polyethylene film requires significant material science and manufacturing expertise, creating a process that is difficult for competitors to replicate. The ability to use these predominantly recycled inputs provides Trex with a significant materials cost advantage, supporting its position as a low-cost producer and contributing to strong margins and returns on capital.

Similarly, **Winpak Ltd.** illustrates how changing sustainability considerations can translate into economic opportunity. As Extended Producer Responsibility (EPR) regulations expand across the U.S., consumer packaged-goods companies are assuming greater financial responsibility for packaging waste, with lower fees generally associated with recyclable materials. This is strengthening the incentive for Winpak's customers to adopt recyclable packaging solutions and creating renewed interest in the company's sustainable product offerings.

>>Impact: Sustainability supporting franchise competitive advantages.

Active Ownership

Through active ownership, we promote continuous improvement and communicate our expectations as long-term investors. We express our views on material ESG issues through our proxy voting and engagement efforts, which are carried out by our investment teams directly.

Proxy Voting

Proxy voting is an important tool that allows us to voice our views on important governance matters, such as board composition and compensation practices. We aim to exercise our right to vote at every shareholder meeting held.

We independently review and evaluate all ballot items in-house, using the guiding principles and evaluation framework as outlined in our Proxy Voting Guidelines (available at https://qvinvestors.com/responsible-investing/). The structure of these guidelines shows that we prefer to consider a balance of factors rather than ascribe to strict and potentially arbitrary rules.

Our decision to invest in a company is generally an endorsement of management. In the absence of material concerns, we therefore generally vote alongside management for most routine matters. However, we may vote against management recommendations when our independent reviews identify a material concern, an opportunity for improved practices or when we believe doing so best serves the interests of long-term shareholders.

Proxy Voting:

Part of our fully integrated approach.

Independent, in-house assessments.

Express views and spark thoughtful discussions.

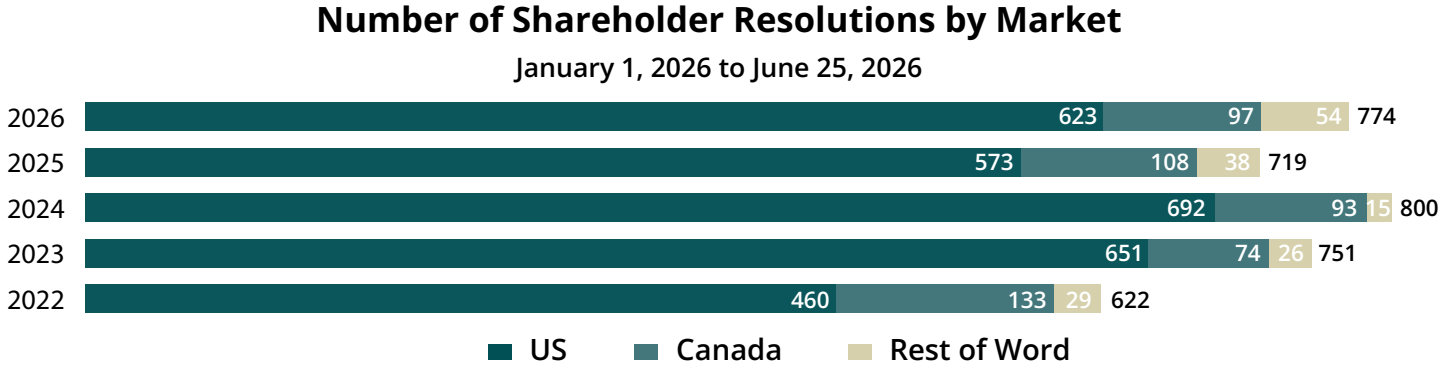
Shareholder Proposals

Shareholder proposals represent a relatively small percentage of overall ballot items but may serve as a useful mechanism for shareholders to request action on specific issues. We consider all shareholder proposals on a case-by-case basis to acknowledge companies' current practices, risk exposures and progress trajectories. Even when we support the underlying goal of a resolution, we may withhold support when we feel the proposal amounts to micromanaging or is too prescriptive in its ask.

We Generally Support	We Generally Do Not Support
✓ Requests for disclosure about a material ESG risk that the company has not yet provided	✗ Proposals regarding existing policies or disclosure with which we are satisfied
✓ Requests for better governance practices, such as separation of the Chair and CEO roles	✗ Issues that lack relevancy or materiality to our long-term investment case
✓ Requests deemed reasonable in scope and additive to overall ESG risk management practices	✗ Proposals that are impractical or overly prescriptive
✓ Plans to manage climate risk if we feel the company's current disclosures, targets or strategic plans are inadequate	✗ Proposals that duplicate or fail to acknowledge reasonable progress on the issue

2026 Proxy Themes

Data gathered by PRI in the first half of the year showed that the number of sustainability-related shareholder resolutions remained relatively consistent year-over-year.



Source: PRI; August 2026

Amid continued legal, regulatory and political scrutiny of ESG activity in the U.S., governance-related proposals outnumbered environmental and social resolutions. Board independence and shareholder rights remained key areas of focus, with many board independence proposals calling for an independent Board Chair.

We generally considered the presence of a strong Lead Independent Director sufficient where proposals sought to separate the roles of CEO and Board Chair. Particularly among smaller companies, we also recognized that meaningful founder or family ownership can provide strong shareholder alignment and valuable long-term industry knowledge, even where board structures do not strictly follow conventional governance practices.

Average support for environmental and social proposals has declined over the past five years. A number of factors may be contributing to this trend, including increased scrutiny of ESG-related activity in the U.S. and the nature of the proposals being put forward. Those filed by advocacy groups can be more prescriptive and have generally attracted lower support than proposals filed by pension funds and investment managers. We continue to assess proposals on a case-by-case basis, focusing on financially material issues and whether existing disclosure is insufficient to understand how a company is managing associated risks.

Anti-ESG proposals, such as those addressing costs of ESG programs, DEI initiatives, the inclusion of ESG metrics in executive compensation, and the appropriateness of climate targets, continue to fail to gain shareholder support. Investors still expect companies to manage material climate and human capital risks, and voting patterns appear to hinge on the materiality, relevance and prescriptiveness of individual proposals.

The growing use of artificial intelligence also continued to shape proxy ballots, with increasing attention to board oversight of AI and its associated risks. This focus broadened across sectors, including financial companies, where proposals addressed the use of AI in areas such as credit underwriting and risk assessment.

2026 Voting Summary

In 2026, we independently assessed and voted on over 2,100 proposals, including over 100 shareholder proposals.

As of September 30, 2026, we voted against management recommendations in approximately 14 instances. Consistent with prior years, most cases involved executive compensation, reflecting concerns about inadequate disclosure, the rigor of performance targets, or potential dilution. We also supported several shareholder proposals calling for in-person annual shareholder meetings with a complementary virtual option. We believe this hybrid approach facilitates meaningful shareholder-management engagement while providing greater flexibility for participation.

Engagement

Engaging with investee companies is an integrated part of our investment process. Through regular dialogue, we believe our flexible approach helps build long-term relationships and ultimately influence ESG best practices. We acknowledge progress and promote continuous improvement for the benefit of all stakeholders.

We identify engagement opportunities through our ongoing integration and proxy voting activities. When a material issue is identified, ESG discussions may be conducted alongside other strategy and investment-related discussions or serve as the primary topic of conversation. We generally focus on company-specific issues. In prioritizing resources, we may consider factors such as the size of the holding and the materiality of the ESG issue to our long-term investment case.

We initiate conversations with companies, and they also seek out our feedback as long-term investors. Given our concentrated ownership positions and long-term focus, management teams have historically received and respected our viewpoints on these topics. In addition to our regular discussions with companies, we will also engage directly with board members when appropriate.

A company's responsiveness to ESG concerns may materially impact our overall assessment for investment. Escalation of a material concern may include voting action, further engagement with the board, a reduction in exposure, or divestment.

Engagement Objectives:

- Build long-term relationships.
- Acknowledge progress.
- Promote continuous improvement.



2026 Engagement Summary

True to our approach, engagement topics were identified on a company-specific basis and spanned a range of issues relevant to each business. The following examples highlight ESG-related matters discussed directly with companies as part of ongoing research and relationship-building.

Examples of select recent engagements:

- Ongoing discussions regarding long-term emissions targets, the investments required to achieve them, and the expected rate of progress over the medium and long term.
- Discussions with management teams and boards regarding activist pressure, strategic reviews and their implications for long-term strategy.
- Discussions following senior management turnover, including dialogue with new management teams to assess continuity of strategy and priorities.
- Ongoing discussions regarding employee incentive structures and the extent to which they support alignment with minority shareholders.

As further discussed below, we continued to support additional engagement efforts indirectly through our membership in the Canadian Coalition for Good Governance.



Commitment

Principles for Responsible Investment

We have been a signatory to the Principles for Responsible Investment (PRI) since 2021. These voluntary, aspirational principles formalize our commitment to our RI activities.

We report and receive feedback on our RI activities annually. We use this process to assess ways to improve our policies and disclosures each year. Further details on the PRI can be found at www.unpri.org.

Principles for Responsible Investment

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the principles.
6. We will report on our activities and progress towards implementing the principles.

Canadian Coalition for Good Governance

We have been a member of the Canadian Coalition for Good Governance (CCGG) since 2018. CCGG represents the collective voice of its Canadian institutional members (representing a total of $6.4 trillion in assets) as it promotes good governance practices at Canadian public companies. Our membership extends our impact and amplifies our internal engagement efforts.

We continue to publicly endorse CCGG's Stewardship Principles, further formalizing our commitment to being active and effective stewards of our investments.

CCGG's Stewardship Principles

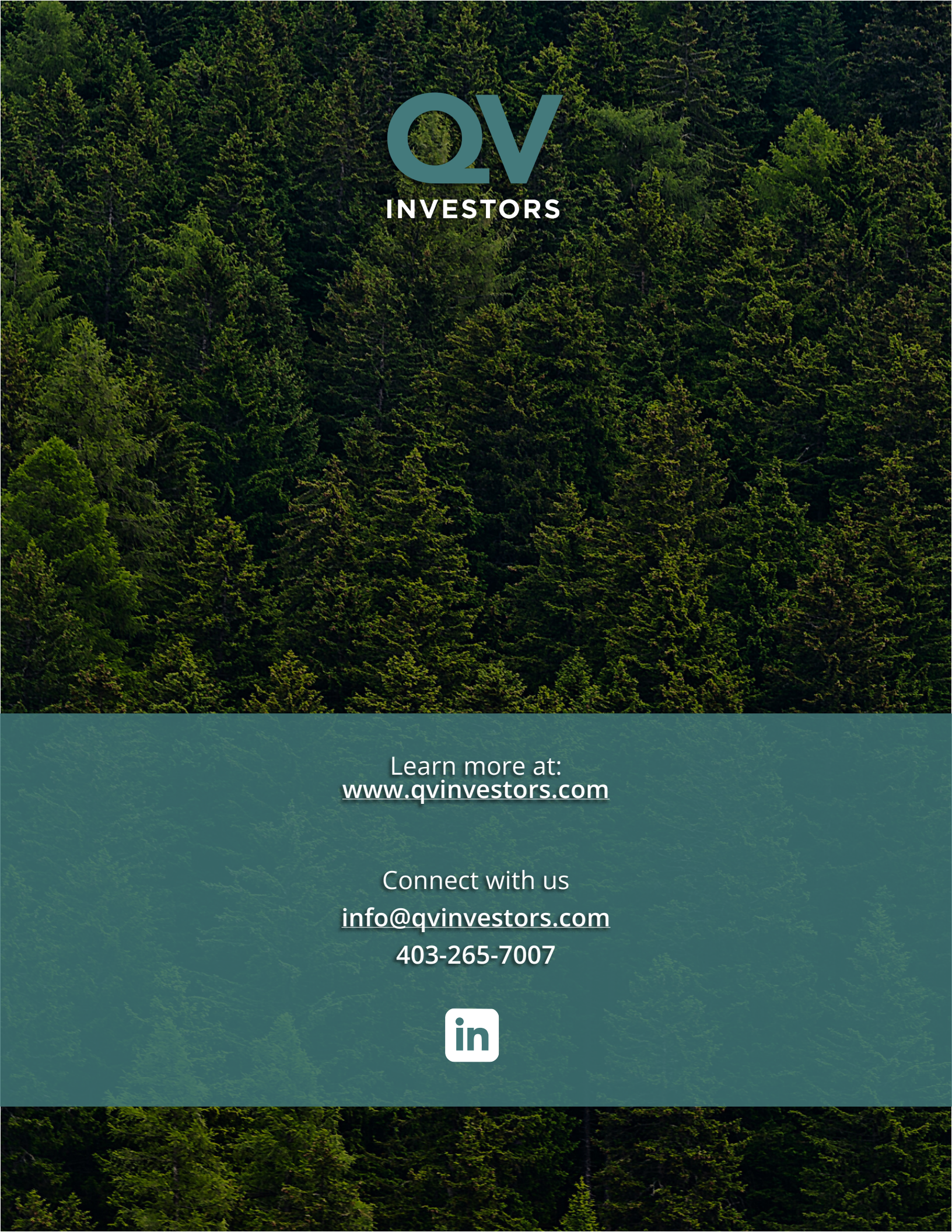
1. Develop an approach to stewardship.
2. Monitor companies.
3. Report on voting activities.
4. Engage with companies.
5. Collaborate with other institutional investors.
6. Work with policy makers.
7. Focus on long-term sustainable value.

Communication

This report is part of our ongoing commitment to communicate regularly with stakeholders. Responsible investing considerations remain integrated within our well-established investment process, helping us identify and assess relevant risks and opportunities within our funds. This approach supports our ultimate objective of building resilient portfolios that provide strong risk-adjusted returns for our clients.

As regulatory requirements and investor priorities evolve, ESG considerations will remain one of the lenses through which we assess long-term investment opportunities. We will continue to apply our established approach, focusing on financially material considerations that are relevant to our investment decisions and commitment to clients. For more information on our approach to RI, please visit https://qvinvestors.com/responsible-investing/





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