

---

## 2022 Socially Responsible Investment Report



# Table of Contents

Message from Management .....	2
Optimum Asset Management's Sustainable Values .....	3
Our Responsible Investment Commitment .....	4
Our Journey.....	5
Our Responsible Investment Philosophy .....	6
Optimum Financial Group's ESG Commitment.....	9



---

# Message from Management

We're pleased to share this Socially Responsible Investment Report with all our clients and partners.

Optimum Asset Management is part of Optimum Group, a privately owned international financial group with diversified operations in seven sectors of activity, including asset management. Accordingly, Optimum Asset Management has been a signatory to the United Nations Principles for Responsible Investment (UNPRI) since 2012.

Optimum Group strives to offer a work environment where experts can take part in a multitude of projects to advance their fields of expertise. We also consciously assume our social responsibility by taking concrete action in the communities where we have operations: We pursue philanthropic efforts that include supporting the Group's common cause of women who are vulnerable or experience violence, we continue on our corporate path toward diversity and inclusion, and we pursue environmental initiatives to help preserve our beautiful planet.

All the Optimum Group companies genuinely care about contributing to the ecological transition and, therefore, act in a responsible manner as organizations and as investors.



A handwritten signature in white ink that reads "Claude Lamonde".

Claude Lamonde  
President  
Optimum Asset Management Inc.

# Optimum Asset Management's Sustainable Values

Optimum Asset Management's investment philosophy emphasizes **preservation of capital**, a commitment that calls for the construction of portfolios holding **sustainable companies** with strong governance standards and convictions aligned with its own.

It was only **natural** that we would integrate ESG factors into our investment and risk management process for all client portfolios. We were already recognized as a quantitative firm, so integrating ESG factors and ratings into our **quantitative and market analysis tools further supports** our portfolio construction process. Such integration allows us to better control the risks inherent in our portfolios, given our firm conviction that a company that abides by ESG principles and is active, engaged and responsible can manage its risks effectively and has a better **chance of prospering** over the long term.

Moreover, the exercise of our voting rights enables us to engage in **dialogue** with the companies in our portfolios. Our goal is always to gain a better understanding of their business plans and to influence them as need be.

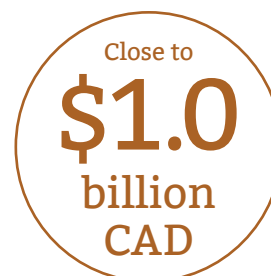
Finally, we strive to generate and to maintain **an optimal return for our clients while creating sustainable value**. To achieve that goal, we apply our convictions throughout the investment process.

**“We have the capacity to think globally and to act locally.”**

## 2022 Highlights



**Impact  
investing**



**Investments in Quebec  
municipalities**

# Our Responsible Investment Commitment

Responsible investment is an integral part of our business. Accordingly, our firm has been a signatory to the United Nations Principles for Responsible Investment (UNPRI) since 2012.

Optimum Asset Management pursues its responsible investment activities with know-how and leading-edge technology, while applying the principles of prudence and sound risk management.

To fulfill this commitment, our portfolio managers invest responsibly by including environmental, social and governance risk factors – ESG factors – in their security selection process. Moreover, in 2021 we formalized our approach by integrating the 17 United Nations Sustainable Development Goals (SDGs) into our selection process. In line with our values and philosophy, we're convinced that responsible investment leads to better long-term results.

Our managers seek the long-term profitability of the companies in which they invest and, therefore, manage financial and non-financial risks proactively.

Optimum Asset Management wants the companies in which it invests on behalf of its clients to behave as good corporate citizens in the environments where they operate, in other words to act responsibly and to take part in the economic and social life of their communities.

## A Preference for Quebec Municipalities


We have a preference for Quebec municipalities because their emissions are often in line with the SDGs. Moreover, their bond issues help:

- support local infrastructure that provides key frontline services to communities (ESG impact); and
- create and support thousands of jobs and foster local purchasing and expertise.




# Our Journey


Here is a **brief summary** of the milestones on our journey to meet various sustainability needs and goals. Our initiatives also include education and training not only for our employees but also for our clients and partners.




**2012** OAM becomes a signatory to the **UNPRI** and establishes its voting policy




**2012** We select GIR as a data supplier




**2019** We publish our first ESG Annual Report, obtain an **audit of best practices** by an independent firm, Groupe d'investissement responsable, and publish our Responsible Investment Policy




**2018** We integrate ESG factors and ratings **into our market technology** (Nautilus) and **also take into account** our clients' investment policies and constraints



**2020** We establish an **ESG Committee** led by our Global Chief Investment Officer



**2021** We introduce the **17 Sustainable Development Goals** into our portfolios as well as related performance metrics



**2023**

- We launch personalized responsible investment reports so that our institutional clients can track their progress
- We create a panel to consider the **next generation** of sustainable strategies



**2022**

- We establish our long-term vision and positioning
- We evaluate and select a supplier to measure **carbon footprints**
- We appoint an ESG Investment VP
- We create a working group to advance our client offering

# Our Responsible Investment Philosophy

## 1 Investment Approach

Our investment approach is based on the premise that companies that uphold strong corporate governance standards and take their social and environmental responsibilities seriously are more likely to be successful and sustainable.

Our approach is grounded in convictions that allow us to make informed choices based on the following investment themes:

- Low carbon
- Renewable energy
- Public transit and its electrification
- Energy-efficient buildings
- Circular economy
- Water management
- Municipal bonds for their proximity services

## 2 Investment Process

We follow a structured, disciplined investment process, with security selection based on the following factors:

- Systematic inclusion of ESG ratings
- Emphasis on impact investing
- Sustainability, with positive filters based on our convictions
- Exclusion of some companies under our Responsible Investment Policy
- Need to generate and maintain an optimal return for all clients



## 3 Impact Investing

The United Nations Sustainable Development Goals provide a blueprint for a better and more sustainable future for all. They are a response to the global challenges we face, including poverty, inequality, climate change and, more recently, health and well-being for all.

We aim to integrate the 17 Sustainable Development Goals into our bond portfolios and we measure the degree to which the goals are achieved across all portfolios.

Our portfolio managers favour government securities issued to finance projects that make a positive contribution to society. In addition, we contact a number of issuers to understand the services offered to the population and to measure their exposure to various inherent risks.

Optimum Asset Management is proud to add its name to the long list of governments, civil society organizations and other partners that promote responsible investment in order to have a direct impact on communities and quality of life around the world.

# Our Responsible Investment Philosophy (Cont.)

## 4 Technology

We use market intelligence technology based on internal proprietary research to optimize our portfolio management services.

It was only natural that we would integrate ESG factors into our investment and risk management process for all client portfolios. We were already recognized as a quantitative firm, so incorporating ESG factors and ratings into our quantitative and market analysis tools further supports our portfolio construction process.

For a number of years, our technology has been integrating ESG data into our client portfolios in real time in the form of a matrix. Each issuer is assigned separate E, S and G scores and an overall ESG score. The scores for the securities in the same sector are then aggregated. The sectors are weighted, and an overall score is provided for the portfolio and compared with its benchmark index. By taking such factors into account, we can control the risks inherent in our clients' portfolios more effectively.

## 5 Communication

As a portfolio manager, Optimum Asset Management is duty bound to act in the best interests of its clients. As a signatory to the United Nations Principles for Responsible Investment (UNPRI), we are committed to disclosing our responsible investment integration activities.

To fulfill this commitment, we have developed a report that tracks our sustainable investments and identifies those that contribute to our performance. This dashboard also fosters client engagement and tracks the progress of our impact investing.



## 6 Global ESG Committee

This decision-making committee is chaired by our Global Chief Investment Officer, and all investment managers and analysts at our Canadian, U.S. and European subsidiaries are involved in the decision-making process. The committee enables us to share best practices globally. It is responsible for continually integrating ESG factors and ensuring sound risk management with a view to optimal portfolio returns.



# Our Responsible Investment Philosophy (Cont.)

## 7 Carbon Footprint

The carbon footprint is an indicator that helps measure our investments' impact on the environment, especially their greenhouse gas emissions. To limit the impacts of climate change, the quality investment style used for Canadian equities excludes the oil industry to a large extent in favour of lower-carbon sectors. In 2022, we selected a partner that will supply specific data on the carbon footprints of the companies in our portfolios.

## 8 Responsible Investment Policy

We adopted Optimum Asset Management's Responsible Investment Policy and posted it on our website in 2019. It defines a framework and formalizes our approach to responsible investment. It sets out our commitment to integrating environmental, social and governance factors into the asset management process. Specifically, the policy identifies the investment exclusions that we abide by, such as companies involved in coal, tobacco or weapons.

## 9 Education

We're committed to advancing the sustainable finance knowledge of our clients and various actors in our industry.

In 2022, we offered virtual conferences to our clients and partners so that they can make more informed financial choices.

Members of our team take part, as speakers, in the training offered by the *Association de la retraite et des avantages sociaux du Québec (ARASQ)* on financial systems and integration of ESG factors. We also encourage our employees to pursue continuing education and skills development. Two of our employees obtained the Sustainable Investing certification developed in collaboration with the Institute for Sustainable Finance at Queen's University's Smith School of Business. Another employee completed RI Essentials for Investment Professionals, a course offered by the RIA Digital Academy of the Responsible Investment Association.



# Optimum Financial Group's ESG Commitment

## 1 Optimum's Commitment

We fulfill our commitment through the construction of portfolios holding sustainable companies but also through corporate objectives that aim to raise awareness among all Optimum Group employees and to encourage concrete action in our workplace, to ensure everyone feels well integrated and to preserve our beautiful planet. In that spirit, Optimum supported Letenda's development of Electrip, a new generation of zero-emission transit buses engineered in Quebec.

## 2 Overall Commitment

We know that diversity and inclusion are vital components of value creation. A pan-Group committee finalized a recommendation and an action plan to address current societal challenges, such as promoting gender equality, combatting cultural and ethnic discrimination, respecting all sexual orientations and identities, considering intergenerational differences and ensuring equal opportunities for people with disabilities.

Our Group continues to move toward a paperless environment. A pan-Group committee also explored tangible ways of reducing pollution and increasing green investments.

## 3 Direct Commitment to Our Employees

Optimum is committed to providing a stimulating and equitable work environment for all employees. The professional development of our resources is vitally important to us. The success of our multidisciplinary teams depends on both our managers and our versatile employees. Our Group cultivates a family environment and takes pride in its corporate values and philanthropic commitments.

## 4 Community Engagement

Like all the other Optimum companies, our firm has, since inception, supported various causes in its immediate environment with a view to making a positive impact in our communities and promoting employee involvement.

Since 2022, Optimum and its employees have generously donated equipment and volunteered their time to support women who are vulnerable or have experienced violence. Moreover, our first annual pan-Group fundraising campaign enabled us to donate \$85,093 to *La Maison Marguerite*, a women's shelter.





**OPTIMUM<sup>®</sup>**

**Asset Management**



**OPTIMUM ASSET MANAGEMENT INC.**

📍 425 De Maisonneuve W. blvd, Suite 1620  
Montréal (Québec) H3A 3G5, CANADA

☎ +1 514 288-7545

📞 +1 888 678-4686

💻 [optimumasset.com](https://www.optimumasset.com)

🌐 [optimumasset.com/linkedin](https://www.optimumasset.com/linkedin)

---

**OPTIMUM.**

® Trademark of Optimum Group Inc. used under license.

