

Sun Life Assurance Company of Canada UBC Faculty Pension Plan Fossil Fuel Free Equity and Bond Fund

Portfolio managed by Jarislowsky, Fraser Limited

This portfolio is designed to enable investors to exclude investments in fossil fuels such as thermal coal, oil and natural gas used for energy purposes, while investing in a diversified, actively managed, quality-focused portfolio. The portfolio carbon footprint is actively monitored to deliver a materially reduced emission intensity.

The investment manager, Jarislowsky, Fraser Limited (JFL), adheres to a long-term, quality investment philosophy. The JFL Global Investment Team integrates material ESG factors as part of its investment approach as per the firm's Sustainable Investment policy. This analysis contributes to the assessment of business quality, risks and opportunities of issuers; however, it does not act as a quantitative screening tool. The firm actively engages with companies to drive enhanced corporate stewardship practices.

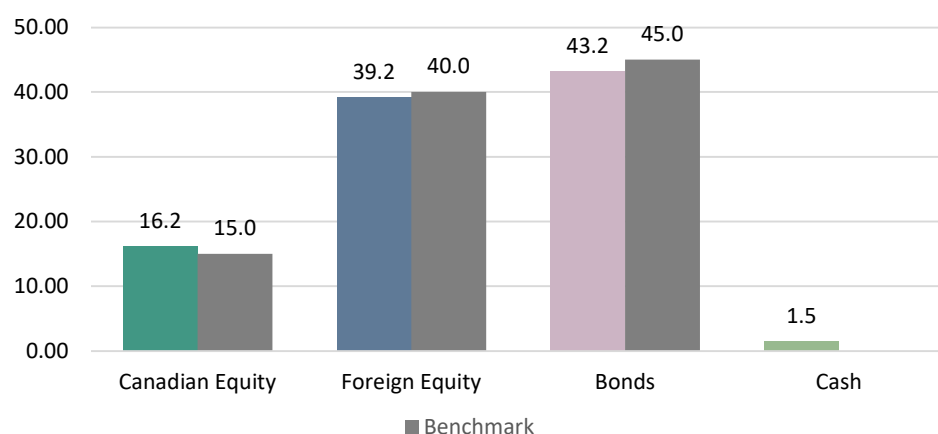
Portfolio Construction

- The portfolio invests in units of three Jarislowsky Fraser Fossil Fuel Free Funds (JF FFF Funds): JF Fossil Fuel Free Global Equity Fund, JF Fossil Fuel Free Canadian Equity Fund, and JF Fossil Fuel Free Bond Fund.
- The JF FFF Funds exclude the GICS® Energy Sector and FTSE Energy Corporate Group, except for renewable energy entities as defined by JFL.
- The Funds also exclude non-energy sector companies:
 - That own operating businesses with material proven thermal coal, oil or gas reserves.
 - That have a significant amount of value attributable directly to the extraction and production of fossil fuels, or indirectly through transportation, distribution, equipment and services.
 - With significant exposure to power generation from fossil fuels. Exceptions may be made where a company has a clear strategy to meaningfully increase the percentage of renewables.
- Green bonds will be emphasized, subject to availability and prudent portfolio diversification objectives.

Performance (Gross %)

As of March 31, 2025	3 MOS.	1 YR	2 YRS	3 YRS	4 YRS	5 YRS	S.I.
UBC FPP FFF Equity & Bond Fund	-0.9	7.1	10.0	7.2	5.7	8.9	8.9
Benchmark	0.4	11.4	12.1	7.5	6.7	9.4	9.4

Asset Mix (%)



Portfolio Summary

December 31, 2025

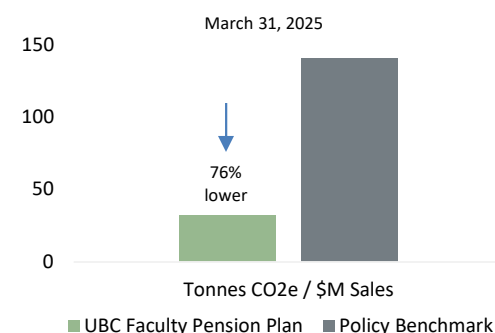
Inception date
March 31, 2020

Benchmark
45% FTSE Canada Universe
15% S&P/TSX Composite
40% MSCI World Net Ex. Canada

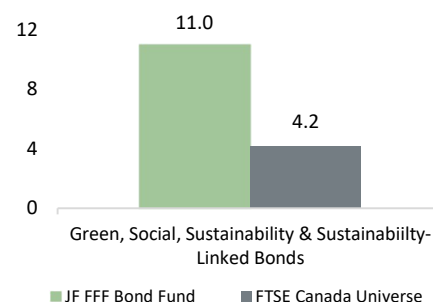
Top 10 Holdings

	% of Fund
Microsoft Corporation	3.0
Province of Ontario (6/2/2034)	2.5
Amazon.Com Inc.	2.1
Canada Housing Trust (9/15/2032)	1.8
Alphabet Inc.	1.8
Canadian national Railway	1.5
UnitedHealth Group	1.5
Boston Scientific Corporation	1.4
Mastercard Inc.	1.4
Interactive Brokers Group Inc.	1.1
Total for Top 10	18.0

Weighted Average Carbon Intensity



Sustainable Finance Bonds (%)



Portfolio Review

The portfolio underperformed the benchmark in the first quarter. Bonds performed in line with their benchmark and provided stability. However, this was offset by underperformance in equities, mainly due to the absence from more cyclical sectors and gold that performed well in the quarter. Volatility increased over the quarter as markets grappled with global trade turmoil. Price weakness was much more closely linked to general uncertainty than to any significant deterioration in earnings delivery.

Canadian Equities

The Fossil Fuel Free Canadian equity portfolio underperformed the S&P/TSX Composite Index during the quarter, primarily due to a rotation towards slow-growth, safe-haven assets as the market re-priced risk amid concerns over protectionist measures from President Trump. Despite our focus on investing in a diverse set of high-quality businesses—typically regional or global leaders with durable competitive advantages, strong balance sheets and superior growth through the cycle—the risk-off environment favoured other sectors, where these attributes are lacking. Notably, Materials (+20.3%), led by the Gold subsector (+34%), substantially outperformed as the flight to safety pushed the commodity up 40% over the past year to all-time highs. Similarly, Utilities (+4.9%), Communication Services (+2.2%), and Real Estate Investment Trusts (+2%) performed better than the index, despite their lower growth and higher leverage.

Global Equities

The Fossil Fuel Free Global equity Portfolio underperformed the MSCI World Net Index during the first quarter. Stock selection was a drag in Financials, Industrials (+2.5%), and Communication Services, while the portfolio’s sector underweight in Information Technology and Consumer Discretionary contributed positively, along with the overweight positioning in Financials (+6.3%), and Health Care (+5.4%). Top individual contributors included Nestlé (+22%), which reported better-than-expected sales growth and early progress in strategic cost-savings initiatives, improving investor sentiment after a challenging 2024. In Health Care, Abbott Labs (+18%) rallied as investors recognized its strong growth and below-peer valuation. Detractors were primarily in Information Technology and Communication Services, with Alphabet (-18%), Cadence Design (-15%), and Accenture (-11%) experiencing significant declines. Information Technology’s underperformance was mainly driven by increasing risk-aversion, concerns over high valuations, and broad market rotation.

Bonds

For the quarter, the portfolio performed in-line with its FTSE Universe benchmark. Corporate spreads were wider quarter over quarter, as risk sentiment negatively impacted corporate bond valuations and market participants began to price a weaker domestic and global growth outlook. The FFF bond portfolios modest relative quarterly outperformance was driven by select financial and consumer-related corporate holdings, which outperformed. With Canadian corporate credit spreads trading near the tight end of the historical range, the portfolio’s activity in the primary corporate debt market was muted. Specifically, during the quarter, the portfolio participated in the primary transactions of the subordinated bank debt from CIBC and Caisse centrale Desjardins. The portfolio was active in secondary markets, initiating positions in highly rated John Deere Inc while reducing select positions based on valuation reasons, including the exit of Anheuser-Busch InBev Inc.

UBC FPP FFF Equity & Bond Fund – Q1 2025

Investment Outlook

Entering 2025, we expected economic, political and policy divergence between major economies to persist and likely intensify. Based on the developments of the first quarter, and the broad-based market effect from continuous tariff announcements and retaliations on a global scale at the start of the second quarter, one would expect the macro environment both domestically and globally to continue to present a wider band of future outcomes and risks. Most attention remains highly focused on President Trump’s approach to tariffs. While economic momentum has been relatively robust up to this point, confidence has ebbed, given the unpredictable nature of the administration’s announcements.

With minimal yield curve exposure and cautious corporate risk allocation, our fixed income portfolios are structured to respond to opportunities which arise from higher interest rate and credit volatility. Credit spreads, which widened in the first quarter, should continue their path towards a normalized and more attractive level. Our portfolios are positioned to deploy incremental risk capital when credit premia provide attractive risk-adjusted opportunities.

For equities, the current market volatility is providing ample opportunities to deploy capital in businesses that we believe will have enduring competitive advantages beyond the current uncertainty. In this uncertain context, which continues to be fluid, we believe our high-quality active approach based on long-term bottom-up fundamentals will position our portfolios well to weather the ongoing volatility.

Holdings as at March 31, 2025. Carbon metrics and reporting generated on April 15, 2025. Portfolio weights are ex cash. Carbon Intensity = t CO2e/\$M USD Sales. Emissions include Scope 1 and Scope 2 Emissions. For portfolio, data availability is 78.6%% with 4.5% comprised of MSCI estimates; for benchmark, data availability is 70.3% with 3.2% comprised of MSCI estimates. Therefore, its intensity is not reflected in the sector attribution chart above. Weighted Average Carbon Intensity is the recommended metric for Fixed Income portfolios. Policy Benchmark = 45% FTSE Canada Universe Bond, 15% S&P/TSX Composite, 40% MSCI World Ex-Canada Net (C\$). Disclosure: This report may contain information (the “Information”) sourced from MSCI Inc., its affiliates or information providers (the “MSCI Parties”) and may have been used to calculate scores, ratings or other indicators. The Information is for the recipient’s internal use only and may not be reproduced/disseminated in any form or used as a basis for or a component of any financial instruments or products or indices. The MSCI Parties do not warrant or guarantee the originality, accuracy and/or completeness of any data or Information herein and expressly disclaim all express or implied warranties, including of merchantability and fitness for a particular purpose. The Information is not intended to constitute investment advice or a recommendation to make (or refrain from making) any investment decision and may not be relied on as such, nor should it be taken as an indication or guarantee of any future performance, analysis, forecast or prediction. None of the MSCI Parties shall have any liability for any errors or omissions in connection with any data or Information herein, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

All fund information including Number of holdings, Top 10 Holdings, Asset Mix and Carbon Footprint are provided on a look-through basis to the underlying JF FFF Funds. Returns for the underlying JF Pooled Funds have been calculated using the net asset value (NAV), are gross of management fees and in Canadian dollars. C\$ Index returns and NAV values have been calculated using the London 4PM closing FX rates. JF Pooled Funds are only available to Canadian residents. Past performance is not a guide to future performance. Future returns are not guaranteed. Investment return and principal value of an investment in the fund will fluctuate so that an investor’s shares when redeemed may be worth more or less than their original cost. This document is prepared by Jarislowsky, Fraser Limited (JFL) and is provided for information purposes only, it is not intended to convey investment, legal, tax or individually tailored investment advice. All opinions and estimates contained in this report constitute JFL’s judgment as of the time of writing and are provided in good faith. All data, facts and opinions presented in this document may change without notification. No use of the Jarislowsky, Fraser Limited name or any information contained in this report may be copied or redistributed without the prior written approval of JFL. The Bank of Nova Scotia (BNS) is the parent company of Jarislowsky, Fraser Limited. BNS securities held in the portfolio are related securities. Source: TD Securities, S&P, Bloomberg, eVestment Alliance, MSCI Inc., FTSE TMX Global Debt Capital Markets Inc.