Q1 2024

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.

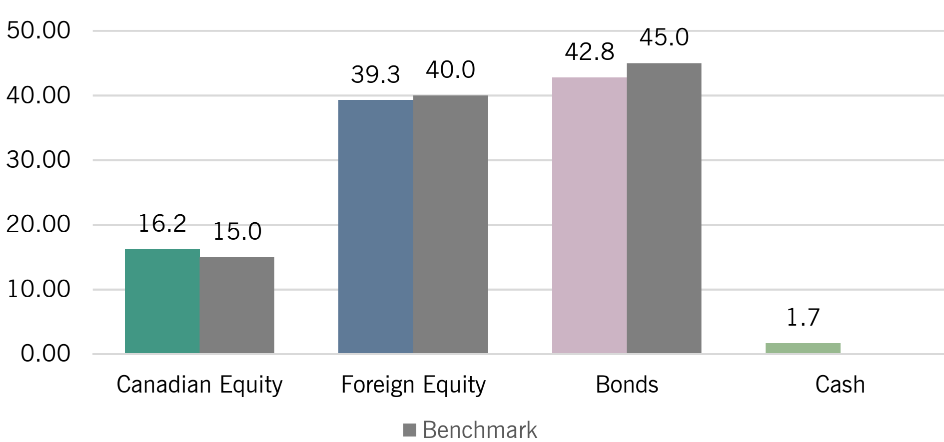
Portfolio Construction

- 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, 2024	3 MOS.	1 YR	2 YRS	3 YRS	S.I.
UBC FPP FFF Equity & Bond Fund	4.3	13.1	7.3	5.2	9.3
Benchmark	5.1	12.9	5.6	5.2	8.9

Asset Mix (%)



Portfolio Summary

March 31, 2024

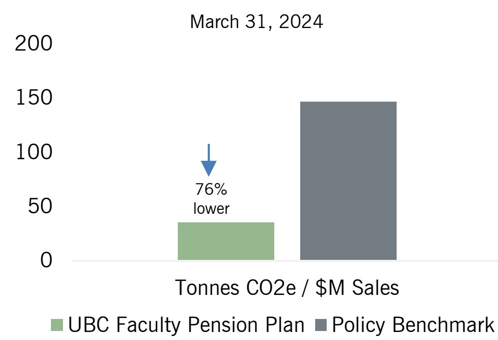
Inception date
March 31, 2020

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

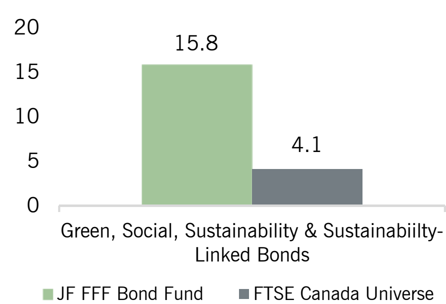
Top 10 Holdings

	% of Fund
Microsoft Corporation	2.7
Alphabet Inc.	2.1
Amazon.com Inc.	2.0
Canadian National Railway	1.9
UnitedHealth Group Inc.	1.4
Mastercard Inc.	1.3
Interactive Brokers Group	1.2
Boston Scientific	1.2
Nestle S.A.	1.2
Fiserv Inc.	1.2
Total for Top 10	**16.2**

Weighted Average Carbon Intensity (%)



Sustainable Finance Bonds (%)



Portfolio Review

The portfolio posted solid absolute returns for the quarter but finished slightly behind the benchmark.

Canadian Equities

The Fossil Fuel Free Canadian Equity Fund portfolio (+6.5%) performed in line with the S&P/TSX Composite Index (+6.6%) for the quarter. The portfolio's exclusion of Energy stocks (+13.1%), was a notable detractor to relative returns. Crude increased 17.5% due to rising geopolitical tension between Ukraine and Russia as well as in the Middle East. The portfolio's overweight position in Industrials (+11.1%) and strong stock selection helped offset the headwinds from not owning energy. Our absence from certain interest rate sensitive stocks in Communication Services (-8.5%) and Utilities (-1.1%) also contributed.

For reference, the portfolio outperformed the S&P/TSX 60 Fossil Fuel Free Index by 1.7%. The portfolio's underweight position in Financials (+5.5%) combined with our strong stock selection in the sector— led by significant outperformance from Manulife (+17%), Definity Financial (+15%) and National Bank (+14%) — helped contribute to the positive returns.

Global Equities

The Fossil Fuel Free Global Equity Fund (+9.5%) underperformed its benchmark (+11.7%) for the quarter. Detractors to stock selection in the quarter were concentrated in Financials (+13.6%), Health Care (+12.9%) and Information Technology (+15.3%), with particular weakness in companies linked to Emerging Markets, including Asian life insurer AIA Group (-21%) and Indian financial conglomerate HDFC Bank (-14%). Our underweight in Japanese equities was a modest detractor in the quarter, with the market favouring lower-quality, export-oriented businesses that could exploit yen weakness. On a positive note, our holding in ASML (+32%) rallied strongly on continued optimism that its critical lithography technology will have expanded use cases in an AI-powered world. Our holding in online brokerage Interactive Brokers (+38%) rebounded strongly this quarter after reporting excellent growth in customer accounts. And finally, Amazon.com (+22%) also rallied on the reacceleration of its Cloud business (AWS) and continued improvement in growth and profitability.

Bonds

For the quarter, the Fossil Fuel Free Bond portfolio did slightly better than its benchmark. Like recent quarters, the portfolio's overweight position in corporate bonds was the largest contributor performance. For the fourth consecutive quarter, corporate spreads tightened relative to government bonds. We continue to reduce the portfolio's exposure to corporate credit as valuations on individual issuers reach cyclical highs.

In terms of sustainable finance bonds, the portfolio purchased Ontario's 2033 green bond, the first to be issued under Ontario's updated Sustainable Bond Framework (replacing the previous Green Bond Framework). According to the Ontario Financing Authority, the projects financed by this issue are estimated to reduce over 500,000 tonnes of carbon dioxide or equivalent per year, primarily beginning in 2030.

Investment Outlook

The markets will be more keenly observing the evolution of economic data as central banks have clearly signaled that their actions will be contingent on the same data sets. The decline in inflation has slowed as supply chain pressures resurfaced. Disruptions in ocean freight traffic have rebounded from their lows (the Red Sea and Panama Canal have experienced substantial disturbances) thereby adding delays and costs to seaborne freight.

However, there are reasons for optimism that inflation will decline further, with leading indicators pointing to further relief: Shelter inflation is declining; job creation is softening; import prices are weakening as China ramps up exports; and a wave of AI related spending is filtering through the economy. The growth outlook continues to be supported by aggressive levels of government spending, which has thus far thwarted market expectations of a recession. After a period of weakness, global growth momentum has picked up, particularly in manufacturing activity. Central banks in developed markets appear to be on the cusp of interest rate cuts, which should be supportive of financial markets in general.

Looking forward, we continue to take a measured approach to our investment selections. Market sentiment has leaned towards a "soft landing" outcome for the economy, with inflation tamed and the expectation that interest rates will trend lower. While this is certainly feasible, many sectors seem to have priced in this optimistic scenario, leaving little margin for safety. Our focus remains on businesses that should prove resilient in a variety of scenarios.

Holdings as at March 31, 2024. Carbon metrics and reporting generated on April 14, 2024. Portfolio weights are ex cash. Carbon Intensity = t CO_2e/\$M USD Sales. Emissions include Scope 1 and Scope 2 Emissions. For portfolio, data availability is 78.1% with 7.2% comprised of MSCI estimates; for benchmark, data availability is 70.8% with 7.4% comprised of MSCI estimates. 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$). 1. The OPG bond in the FFF Bond Fund is a green bond used to finance renewable electricity projects, but the emissions reported here are at the overall corporation level. 2. Note that MSCI has classified Ontario Power Generation Inc.'s sector as "N/A". Therefore, its intensity is not reflected in the sector attribution chart above.

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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.