

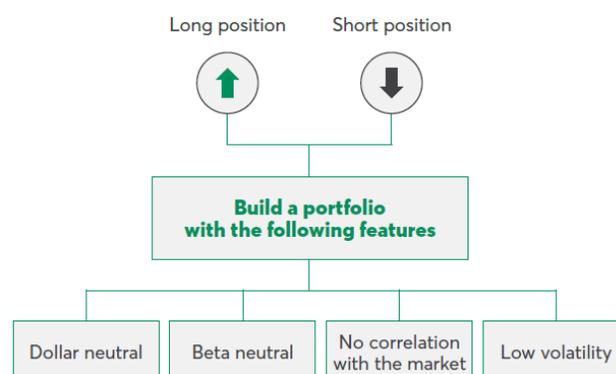
Market Neutral strategy

FACTSHEET/ DECEMBER 31, 2025



Strategy summary

Our Market Neutral strategy aims to produce a positive absolute return under different market conditions through neutral long and short positions in Canadian and US companies. It aims to provide an annual added value of 4% above the risk-free rate while limiting volatility for investors. It maintains a low correlation with market movements through neutral beta and limited sector exposure.



Approach to pair construction

1. Relative outperformance based on fundamental analysis

- Long and short positions in companies that are usually in the same industry
 - The long position meets our fundamental investment criteria
 - The short position seeks to isolate market and sector risk

2. Mean reversion

- Strongly correlated securities that exhibit reversion to the mean characteristics
- Relative valuation

3. Arbitrage

- Takes advantage of observable price inefficiencies that can arise before or after an event affecting a company
- Merger, restructuring, recapitalization, acquisition and spin-off or any other transaction

Approach performance

APPROACH	Quarter		Year to date	
	NUMBER OF PAIRS	PERFORMANCE (bps)	NUMBER OF PAIRS	PERFORMANCE (bps)
Fundamental	212	9	881	-357
Mean reversion	32	38	109	-15
Arbitrage	4	1	26	5
Cash	-	65	-	286
Total	248	113	1016	-82

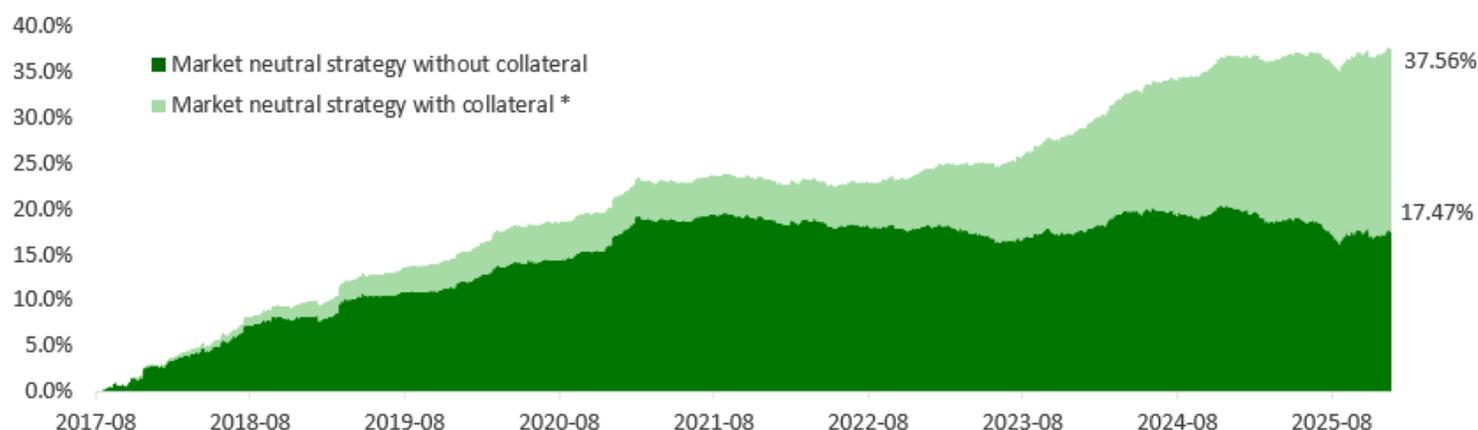
Markets Neutral strategy

Returns

In %	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	YTD
2025	-0.21	-0.23	-0.06	0.58	0.24	0.12	-0.81	-1.10	-0.41	0.76	-0.40	0.76	-0.82
2024	0.91	0.72	1.06	0.49	0.86	0.18	0.43	0.20	0.14	0.72	1.03	0.04	6.99
2023	0.33	0.13	0.19	-0.03	0.14	0.08	0.52	0.64	0.91	0.24	0.34	0.75	4.31
2022	-0.48	0.13	0.36	-0.13	-0.37	0.44	0.03	0.04	0.58	-0.16	0.24	0.77	1.45
2021	0.88	0.53	-0.11	0.19	-0.10	0.21	0.27	0.16	-0.19	0.08	-0.09	-0.31	1.52
2020	0.61	0.53	0.88	0.31	0.52	-0.06	0.14	0.08	0.65	0.11	0.34	1.24	5.49

Returns since inception

(including and excluding returns on collateral)



* The collateral performance is simulated with the total return of 3-month Canadian T-bills for the period from August 14, 2017 to December 31, 2023. This performance is then added linearly throughout the whole period represented by the graph. These returns are presented for information purposes only and reflect the historical returns of the DGAM Market Neutral strategy net of transaction fees, commission fees and borrowing costs, but excludes management fees.

Performance and risk statistics

(since inception)

Annualized return	3.80%
Annualized deviation	1.54%
Beta	0.03
Up-market capture S&P/TSX	1.35%
Down-market capture S&P/TSX	-0.41%
Correlation vs. S&P/TSX	0.02
Correlation vs. FTSE Canada Universe	0.03
Average gross leverage	50.30%

Note: The inception of the DGAM Market Neutral Fund is March 8, 2018. All data is from inception except for the portfolio beta, which is calculated at the end of the quarter.

Markets Neutral strategy

Responsible investing

- ESG considerations integrated across all stages of investment management, from the investment decision to eventual potential asset ownership.
- Collaborative efforts between in-house Responsible Investment team and portfolio managers.

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Sources: MSCI, Bloomberg, DGAM, as at December 31, 2025

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