

# Security Selection

## PRIORITY TERRA GUARANTEED INVESTMENT



The companies that make up the Priority Terra Guaranteed Investment security basket undergo a 4-step selection process<sup>1</sup> that covers both their financial health and their commitment to the environment.

### 4-Step Selection Process

#### 1. Financial Analysis



Our guaranteed investment managers start by selecting companies that earn top marks in our in-depth financial analysis. Among other factors, financial soundness, risk, profitability and growth outlook are used to establish a preliminary list.

#### 2. Exclusion Screening



Any companies that operate in the tobacco, nuclear and arms industries are removed from the list.

#### 3. Environmental Assessment



The investment team at Desjardins Global Asset Management (DGAM), a Canadian leader in responsible investing, evaluates the remaining companies' performance against environmental, social and governance (ESG) criteria. The goal is to ensure they're sustainable development leaders in their industries and not involved in any major controversies. DGAM uses metrics, analysis tools and external data to conduct these assessments and make decisions.

#### 4. Inclusion in the Security Basket



From the companies that make the cut, our managers select the securities with the best performance prospects, taking into account geographic and sector diversification.

<sup>1</sup> Companies already included in the basket of securities met the selection criteria on the investment issue date. Any new companies to be included in the basket will meet these criteria at the time of selection.