Investment Strategy and Process

Lester Asset Management Inc. ("LAM") launched the Lynx Global Biodiversity Fund (the "Fund") February 12th, 2024 ("Inception") as an actively managed thematic global equity strategy. The Fund seeks to provide long-term capital appreciation by investing in equity securities of publicly traded companies listed on recognized global stock exchanges that operate businesses that help protect and promote biodiversity. The Fund aims to meet its objectives by investing in companies that will benefit from powerful long-term global trends related to achieving nature-positive goals and implementing nature-based solutions to halt and reverse nature loss and land degradation, protect and improve the quality of the environment, promote sustainability, and address related issues such as water and food security. The investment process is robust using fundamental bottom-up internal research and analysis of companies best meeting one of four internally developed biodiversity-linked investment themes derived from UN Biodiversity Framework (COP15) targets, EU Taxonomy Environmental Objectives, and UN Sustainable Development Goals (SDGs), while also using a proprietary framework for final stock selection. The Fund also benefits from the expertise of an experienced Advisory Board for guidance and insight into specific companies, industry developments, and emerging opportunities.

Investment Themes

Environmental Stewardship	Pollution Control & Clean Technology	Sustainable Products & Processes	Agriculture & Food Systems
Assessment & Monitoring	Water & Wastewater Treatment	Sustainable Products	Agrotechnology & Agriculture
Remediation & Restoration	Waste Management & Recycling	Supply Chain Solutions	Soil & Crop Management
Natural Resources Management	Air Filtration & Emission Control	Circular Economy Processes	Food & Beverage Systems
Green Infrastructure	Clean Technology	Energy Efficiency	Aquaculture

Compound Gross Returns

	1 Month	3 Months	Year-to-Date	1 Year	Since Inception (Annualized)
LAM Lynx Global Biodiversity Fund[i]	-3.2%	-0.6%	1.2%	-5.8%	3.7%
MSCI World TR Index ($CAD)[ii]	1.2%	2.0%	16.1%	18.0%	20.9%

Portfolio Managers



Stephen Takacsy – CEO, Chief Investment Officer and Lead Manager Canadian Equity
Stephen joined the firm in 2006 as Chief Investment Officer and developed its Canadian Equity and Fixed Income strategies. He became Chief Executive Officer in 2017. Stephen's diverse career in finance spans over 30 years, including roles in corporate lending, investment banking, and managing the cash proceeds from the sale of a publicly traded company where he was Chief Financial Officer. His extensive experience in corporate finance, mergers & acquisitions, valuation analysis and investments has added value to client returns.

Co-Manager: Olivier Tardif-Loiselle, CFA

Quarterly Commentary

During the 3rd quarter, **The Lynx Global Biodiversity Fund** declined by **-0.6%** on a gross basis versus +2.0% for the MSCI World Index Total Return (CAD$). Year-to-date, the Fund returned **+1.2%** versus +16.1% for the index. Our overweighting in industrials and underweighting in the technology sector has detracted from our relative performance. Within those two sectors however, our technology holdings outperformed the Technology index and our industrial holdings held up better than the Industrials index. Top contributors included **Microsoft** as concerns over the return on its AI infrastructure spending eased; **Agilent** which rallied on accelerating growth, margin expansion, and raised guidance, as life science markets improved for its testing equipment; and engineering firm **Tetra Tech** which beat expectations and raised full year earnings guidance while expanding its share buyback program to nearly $900 million. Detractors included environmental services leader **Veolia** which declined in sympathy with the utility sector on rising interest rates despite strong results and raised guidance; **Onterris** which missed earnings and cut guidance reflecting lower emergency response revenue and launched a strategic review to help enhance shareholder value; and water technology leader **Xylem** which lowered its revenue outlook slightly overshadowing margin expansion and raised earnings guidance.

Strategy Characteristics

Inception Date	February 12th, 2024
Assets Under Management	$18.9 million
Style	All –Cap, GARP, thematic
Process	Thematic screening & SDG indicators
Holdings	35 to 45 diversified holdings

Themes

Environmental Stewardship	28%
Pollution Control & Clean Technology	28%
Cash	23%
Sustainable Products & Processes	14%
Agriculture & Food Systems	7%

Geography

United-States	88%
Europe	6%
Canada	0%
Other	6%

Top 10 Fund Holdings

Cash	23.0%
Veolia Environnement	5.5%
Novonesis B	5.2%
Eurofins Scientific	5.0%
Schneider Electric	4.5%
Republic Services	3.9%
Jacobs Solutions	3.9%
Microsoft Corp	3.8%
Veralto	3.6%
Ecolab	3.6%

Risk Metrics

Low cyclical exposure	
Low market correlation	
Low portfolio turnover	
Maximum Position Size	5%
Maximum Sector Weight	25%

Pooled Fund Terms

Inception Date	February 12th, 2024
Assets Under Management	$16.3 million
Minimum Investment	$150,000 (or less for accredited investors)
Eligible Accounts	Non-Registered and Registered (RRSP, RESP, TFSA...)
Distribution	AB, BC, MB, ON, QC, by way of Offering Memorandum
Management Expense Ratio (MER)	Management Fee as listed below + maximum 0.5% operating expenses, trading and custodial fees

FUND UNIT SERIES[iii]	FUNDSERV CODE	NAV	MANAGEMENT FEE
F	LAF300	$10.52	1.5%
I	LAF301	$10.68	1.0%
O	LAF302	$11.01	TBD

About Us

Lester Asset Management is a Montreal-based independent portfolio management firm serving private clients and institutions, with a fiduciary duty to always act in the best interests of its clients. The Firm also manages institutional funds for the *Quebec Emerging Managers Program*. The Firm is committed to preserving and growing the financial wealth of its clients through responsible and ethical investing while also providing a high level of personalized service to meet its clients' evolving needs. The Firm is focused on the active value-added management of its core strategies: Canadian Equity, Canadian Fixed Income, and Global Equity, aiming to outperform the main indices and add value by achieving higher returns than the market with lower risk. In 2021, the Firm received a Global Manager Research (GMR) *Top Performer* award for its 1-year return in the Canadian Fixed Income category, and in 2022 it received two more GMR *Top Performer* awards for its 5-year and 10-year returns in the Canadian Fixed Income Plus category. The Firm is also a signatory of the United Nations' Principles of Responsible Investing and is a member of the Taskforce on Nature-related Financial Disclosure (TNFD) Forum and the Nature Action 100 engagement team.

Contact Us

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[i] Returns for the Lynx Global Biodiversity Fund (the "Fund") are gross of management fees
[ii] The MSCI World Index is the benchmark that has been used since inception of the Fund in February 2024 and reflects the Fund's policy of investing in global equity securities.
[iii] Returns on the different unit series of the Fund will vary due to applicable management fees. Please read the Offering Memorandum before investing in the Fund. Pooled fund returns are not guaranteed as unit values change frequently, and past performance may not be repeated.