

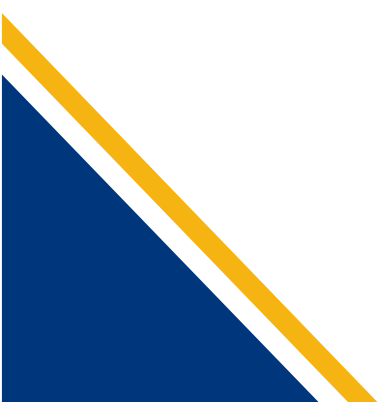


Attachment 5

INVESTMENT PLAN FOR

**REGIONAL MUNICIPALITY OF
DURHAM**

EFFECTIVE JULY 15, 2024



CONTENTS

- 1. DEFINITIONS 1
- 2. PURPOSE 2
- 3. RESPONSIBILITY FOR PLAN 3
- 4. INVESTMENT GOALS AND OBJECTIVES 4
- 5. INVESTMENT PORTFOLIO..... 5
- 6. APPLICABLE ONE JIB POLICIES 11
- 7. ELIGIBLE FUNDS..... 12
- 8. REBALANCING 14
- 9. ASSET CLASS PERFORMANCE BENCHMARKS 15
- 10. IMPLEMENTATION 16
- 11. APPENDIX.....18

1

DEFINITIONS

Definitions applicable to this Investment Plan, can be found on the ONE Investment webpage under Education & Training / Glossary.

2

PURPOSE

As required under the prudent investor regime authorized by the Municipal Act, 2001 (Act), and Ontario Regulation 438/97 (Regulation), this Investment Plan (Plan) establishes how ONE JIB will invest the Regional Municipality of Durham's (Durham's) Money Not Required Immediately (MNRI) as defined in section 5.2 of Durham's Investment Policy Statement (IPS).

This Plan applies to all investments that are controlled and managed by ONE JIB on behalf of Durham.

3

RESPONSIBILITY FOR PLAN

This Plan is the responsibility of ONE JIB, which has authorized its agent ONE Investment to exercise its administrative investment functions in accordance with the Regulation. ONE JIB oversees ONE Investment staff using procedures, reports, and regular reviews to monitor compliance with the Act, the Regulation and Durham's IPS.

ONE Investment has engaged PH&N Institutional to provide OCIO services. PH&N Institutional will be involved in the implementation of the Investment Plan, ongoing monitoring and reporting of investments and will provide ancillary services to support the OCIO Offering. PH&N Institutional is the business division of RBC Global Asset Management responsible for managing assets for Canadian institutional clients.

RBC GAM's investment professionals are committed to providing each client with investment solutions that are appropriately tailored to address the client's own investment situation. This means, on the one hand, understanding macroeconomic trends and strategies and, on the other, understanding the diverse and evolving investment needs among clients.

4

INVESTMENT GOALS AND OBJECTIVES

Durham's investment needs described in its IPS provide Council's guidance to ONE JIB in determining investment allocations. Further guidance from the MCQ and dialogue with the Treasurer, informs ONE JIB about Durham's current goals, objectives, circumstances, and risk tolerance, and helps direct how investment allocations will be determined. The allocation of Durham's MNRI in this Plan is consistent with the details as disclosed in Durham's IPS and MCQ. Section 8.2.1 of Durham's IPS provides specific detail that characterize the objectives for MNRI as detailed in table 1 below:

Table 1: The investment objectives for Long-Term Funds.

MNRI Horizon	Objective	Risk Tolerance*	Investment Horizon
Short-Term	<ul style="list-style-type: none"> • Preservation of capital • High liquidity 	Low risk (5% annual downside risk loss)	3 – 5 years
Medium-Term	<ul style="list-style-type: none"> • Contributions toward capital projects, mitigating inflation impacts and meeting target funding requirements; • Liquidity 	Low to moderate risk (7.5% annual downside risk loss)	6 – 10 years
Long-Term	<ul style="list-style-type: none"> • Contributions toward capital projects, mitigating inflation impacts and meeting target funding requirements; • Emphasis on long-term inflation-adjusted growth 	Moderate risk (10% annual downside risk loss)	> 10 years

* Risk tolerances as disclosed in IPS. For the purpose of portfolio construction, the maximum annual loss (i.e. risk tolerance) for each horizon is translated into a corresponding statistical measure called Conditional Value at Risk (CVaR95) which represents the expected loss during the worst 5% of return outcomes. PH&N Institutional will calculate this measure for each portfolio to compare to limits shown above, based on their capital market assumptions. Investors should be aware of the limitations using forward-looking assumptions in that there is absolutely no guarantee that future performance will occur according to any ex-ante expectation.

The MNRI invested with ONE JIB will be broadly diversified by asset class, market, sector, issuer, credit quality, and term to maturity to help reduce the volatility of investment returns. Returns impact revenues and have a longer-term impact on future years' budgets and should, at a minimum, keep pace with inflation. The MNRI shall be invested with the objective of obtaining a progressively higher rate of return for longer term investment horizons, commensurate with stated risk tolerances.

5

INVESTMENT PORTFOLIO

Asset allocations for each Outcome are typically expected to be relatively stable until the next annual review. Any contributions or withdrawals of MNRI must be communicated to ONE JIB formally as outlined in the ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

5.1 Account Structure

MNRI Horizon	Risk Tolerance	Final Allocation (\$ millions)*
3 – 5 Years	Risk tolerance is low	95.20
6 – 10 Years	Risk tolerance is low to moderate	63.79
10+ Years	Risk tolerance is low to moderate	1,692.85
Total		1,851.88

* Durham will provide funds in several tranches, with full amount deployed by or shortly after January 15, 2025. The full amount may be comprised of cash and in-kind securities.

5.2 Portfolio Constraints

MNRI Horizon	Constraints
3 – 5 Years	No allocation to equities No allocation to Canadian Core Real Estate No allocation to Global Infrastructure
6 – 10 Years	30% maximum allocation to equities No allocation to Canadian Core Real Estate No allocation to Global Infrastructure
10+ Years	30% maximum allocation to equities Inclusion of a Canadian Universe Bonds allocation No allocation to Canadian Core Real Estate No allocation to Global Infrastructure

Other considerations:

- Durham's initial allocation will limit total equity exposure to 30%. This may be revised in future Investment Plan updates to reflect changing needs and circumstances of Durham.
- Allocation to alternative investments – i.e., real estate and infrastructure – are not permitted. Both funds will be taken under consideration for inclusion in upcoming reviews of Durham's Investment Policy.
- Investment solutions for sinking funds will be developed in the future which will be informed by further discussions with Durham Staff. Currently no MNRI is invested in long-term securities to offset sinking fund obligations.

5.3 Allocations

MNRI Horizon 3 - 5 Years			
Asset Classes	Minimum	Target Weight	Maximum
Fixed Income			
Short-Term Bonds	40%	50%	60%
Corporate Bonds	15%	20%	25%
Private Placement Corporate Debt	3%	5%	7%
Commercial Mortgages	3%	5%	7%
High Yield Bonds	3%	5%	7%
Global Multi-Asset Credit	10%	15%	20%
Total Fixed Income		100%	

MNRI Horizon 6 - 10 Years			
Asset Classes	Minimum	Target Weight	Maximum
Fixed Income			
Short-Term Bonds	25%	35%	45%
Private Placement Corporate Debt	5%	10%	15%
Commercial Mortgages	5%	10%	15%

Global Multi-Asset Credit	10%	15%	20%
Total Fixed Income	65%	70%	75%
Equities			
Canadian Equities	5%	7.5%	10%
Canadian Low Volatility Equities	5%	7.5%	10%
U.S. Equities	3%	5%	7%
U.S. Low Volatility Equities	3%	5%	7%
International Equities	3%	5%	7%
Total Equities	25%	30%	35%
Total		100%	

MNRI Horizon 10 + Years			
Asset Classes	Minimum	Target Weight	Maximum
Fixed Income			
Short-Term Bonds	15%	17.5%	20%
Universe Bonds	15%	17.5%	20%
Private Placement Corporate Debt	5%	10%	15%
Commercial Mortgages	5%	10%	15%
Global Multi-Asset Credit	10%	15%	20%
Total Fixed Income	65%	70%	75%
Equities			
Canadian Equities	5%	7.5%	10%
Canadian Low Volatility Equities	5%	7.5%	10%
U.S. Equities	3%	5%	7%
U.S. Low Volatility Equities	3%	5%	7%

International Equities	3%	5%	7%
Total Equities	25%	30%	35%
Total		100%	

5.4 Aggregated Asset Allocation

All Horizons		
Asset Classes	Aggregate Weight	Aggregate Amount (\$)
Fixed Income		
Short-Term Bonds	19.55%	\$366,175,250
Universe Bonds	16.14%	\$296,248,750
Corporate Bonds	0.93%	\$19,040,000
Private Placement Corporate Debt	9.77%	\$180,424,000
Commercial Mortgages	9.77%	\$180,424,000
High Yield Bonds	0.23%	\$4,760,000
Global Multi-Asset Credit	15.00%	\$277,776,000
Total Fixed Income	71.39%	\$1,324,848,000
Equities		
Canadian Equities	7.15%	\$131,748,000
Canadian Low Volatility Equities	7.15%	\$131,748,000
U.S. Equities	4.77%	\$87,832,000
U.S. Low Volatility Equities	4.77%	\$87,832,000
International Equities	4.77%	\$87,832,000
Total Equities	28.61%	\$526,992,000
Total	100%	\$1,851,840,000

5.5 In-Kind Securities

Durham's Investment Plan will include an initial contribution of in-kind securities as part of the \$1,851.88 million. These in-kind securities include longer-term GIC's, long-term bonds, and holdings in ONE's Legal List Equity Portfolio, which are detailed in the table below. The security list below is indicative as Durham will continue to sell long term bond holdings through June 30, 2024. Any long-term bonds held by Durham after this date will be deemed in-kind holdings. These in-kind securities all represent MNRI holdings under the control and management of ONE JIB.

Security	Face Value	Type	Where held
DURHAM 4 ¼ 10/16/31	\$ 1,669,000	Long term bonds	Custody
DURHAM 4 ¾ 07/05/40	1,647,000	Long term bonds	Custody
DURHAM 4 ¾ 07/05/41	1,726,000	Long term bonds	Custody
DURHAM 4.15 10/16/29	1,538,000	Long term bonds	Custody
DURHAM 4.2 10/16/30	1,602,000	Long term bonds	Custody
DURHAM 4.3 10/16/32	1,740,000	Long term bonds	Custody
DURHAM 4.3 10/16/33	1,814,000	Long term bonds	Custody
DURHAM 4.7 07/05/38	1,500,000	Long term bonds	Custody
DURHAM 4.7 07/05/39	1,571,000	Long term bonds	Custody
02/23/28 BMO GIC	62,456,740	GIC Investment	Held by Durham
04/04/28 BMO GIC	80,450,680	GIC Investment	Held by Durham
04/24/28 BMO GIC	50,000,000	GIC Investment	Held by Durham
05/03/28 BMO GIC	76,840,435	GIC Investment	Held by Durham
07/11/28 BMO GIC	75,000,000	GIC Investment	Held by Durham
08/11/28 RBC GIC	50,000,000	GIC Investment	Held by Durham
ONE Equity Portfolio	243,136,122	Equity Investment	Held by Durham
Total	\$ 652,690,997		

Notes:

- Holdings of long-term bonds noted in the table above will be transferred to ONE's custodian for safekeeping. These bonds will be held to maturity, with proceeds reinvested in the OCIO offering or, at the option of Durham, reclassified as MRI when term to maturity is less than 3 years.

- Durham's holdings of GIC's are non-redeemable, non-transferable securities. These securities will be designated as MNRI. These securities will be reclassified as MRI as part of Durham's 2025 Investment Plan update, when their term to maturity for the GIC's is less than 3 years. All GICs designated as MNRI will be reclassified as MRI by the end of 2025.
- Durham's holdings in the ONE Equity Portfolio will be liquidated in the third quarter of 2024, with proceeds reinvested into the OCIO Offering.
- Planning will be required to minimize the impact of Durham's transition on other municipalities in the Equity Portfolio. The specific details of this portion of the transition will be finalized with the OCIO and Guardian Capital. To the degree that it is practical, the transition will seek to minimize implementation costs, market impact, and the crystallization of losses.

6

APPLICABLE ONE JIB POLICIES

The Plan adheres to the following ONE JIB Policies subject to periodic review and updating and are posted to the ONE Investment website.

- ONE JIB Responsible Investing Policy
- ONE Distribution Policy PI
- ONE Anti-Money Laundering Policy
- ONE Pricing Error Policy (LL & PI)
- ONE Currency Hedging Policy PI
- ONE JIB Withdrawals of Money Not Required Immediately (MNRI) Policy

7

ELIGIBLE FUNDS

The eligible funds are listed under Schedule “A” of the Investment Management Agreement between RBC Global Asset Management Inc. and ONE Investment.

In asset classes where more than one fund is eligible for investment, the OCIO will be responsible to determine which fund(s) to include in the client portfolio after due consideration for (1) the individual characteristics of the fund, (2) prevailing market conditions impacting the fund’s liquidity and capacity, and (3) its alignment with the municipality’s investment objectives and philosophy.

The Manager shall manage the RBC GAM Fund(s) according to the pooled fund investment mandate including the investment guidelines contained therein developed by the Manager in respect of each RBC GAM Fund (each, an “Investment Mandate”).

Asset Classes	Eligible Fund Names (Schedule “A” of IMA)
Fixed Income	
Money Market	PH&N Canadian Money Market Fund
Short-Term Bonds	PH&N Short Term Bond & Mortgage Fund RBC Vision Fossil Fuel Free Short Term Bond Fund
Universe Bonds	PH&N Bond Fund PH&N Enhanced Total Return Bond Fund RBC Vision Bond Fund RBC Vision Fossil Fuel Free Bond Fund
Corporate Bonds	PH&N Corporate Bond Trust*
Private Placement Corporate Debt	PH&N Private Placement Corporate Debt Fund*
Commercial Mortgages	RBC Commercial Mortgage Fund*
High Yield Bonds	RBC High Yield Bond Fund PH&N High Yield Bond Fund
Global Multi-Asset Credit	BlueBay Total Return Credit Fund
Global Bonds	RBC Global Bond Fund
Emerging Markets Bonds	RBC Emerging Markets Bond Fund

Equities	
Canadian Equities	PH&N Canadian Equity Value Fund PH&N Canadian Equity Fund RBC Vision Canadian Equity Fund RBC QUBE Canadian Equity Fund
Canadian Low Volatility Equities	RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund RBC QUBE Low Volatility Canadian Equity Fund
U.S. Equities	PH&N US Equity Fund RBC QUBE US Equity Fund
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Fund
International Equities	RBC International Equity Fund PH&N Overseas Equity Fund
Global Equities	RBC Global Equity Focus Fund RBC Global Equity Leaders Fund RBC Vision Global Equity Fund RBC Vision Fossil Fuel Free Global Equity Fund RBC QUBE Global Equity Fund
Global Low Volatility Equities	RBC QUBE Low Volatility Global Equity Fund
Real Estate	RBC Canadian Core Real Estate Fund*
Infrastructure	RBC Global Infrastructure Fund*

**Denotes a non-prospectus qualified fund*

8

REBALANCING

The OCIO is authorized to execute trades, as appropriate, to maintain compliance with the Investment Plan.

Rebalancing shall occur in accordance with the Participating Municipality's Investment Policy Statement and Investment Plan.

Rebalancing plans and exact timing should account for upcoming material changes that may impact the Investment Plans, such as updates to the Investment Policy Statement or the Municipal Client Questionnaire.

As appropriate, the size and frequency of trading activities shall be minimized to help reduce the administration and costs of trading.

9

ASSET CLASS PERFORMANCE BENCHMARKS

Asset Classes	Representative Data Series
Short-Term Bonds	FTSE Canada Short Term Overall Bond Index
Universe Bonds	FTSE Canada Universe Bond Index
Corporate Bonds	FTSE Canada All Corporate Bond Index
Private Placement Corporate Debt	<i>See Note</i> ¹
Commercial Mortgages	FTSE Canada Short Term Overall Bond Index
High Yield Bonds	ICE BofA US High Yield Bond Index (CAD-hedged)
Global Multi-Asset Credit	Custom Index ²
Canadian Equities	S&P/TSX Capped Composite Index
Canadian Low Volatility Equities	<i>See Note</i> ³
U.S. Equities	S&P 500 Index C\$
U.S. Low Volatility Equities	<i>See Note</i> ³
International Equities	MSCI EAFE Net Index C\$

¹ The fund is not managed against a broad market index. The FTSE Canada All Corporate Bond Index and FTSE Canada Long Term Corporate Bond Index will be provided for comparative purposes.

² 9 7.5% ICE BofA 3 Month US T-Bills (CAD-H), 35% ICE BofA Global High Yield Index (CAD-H), 11.25% J.P. Morgan Emerging Market Bond Index (CAD-H), 11.25% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H), 7.5% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H), 7.5% Credit Suisse Leveraged Loan Index (CAD-H) and 20% Thomson Reuters Convertible Global Focus Index (CAD-H)

³ The objective of the RBC QUBE Low Volatility Equity Funds is to deliver superior risk-adjusted returns. Relevant data series such as the broad market index performance, volatility of returns and Sharpe ratio (return per unit of risk) will be provided.

10

IMPLEMENTATION

10.1 Custodian

All marketable investments under the control and management of ONE JIB, shall be held for safekeeping by ONE Investment's Custodian.

10.2 Transition Plan

Timeline	Expected Transfer to JIB/ONE
Q3 2024	<ul style="list-style-type: none"> - In-kind long-term bonds transferred to ONE's Custodian (\$14,807,000 face value) - Control and management of in-kind GIC holdings ~\$394,747,854 (face value) will be designated as MNRI under the control and management of ONE JIB. - Equity Portfolio (\$243,136,122) transition plan to be executed with proceeds deployed into OCIO offering on or before October 15 2024 - \$500 million in cash
Q4 2024	<ul style="list-style-type: none"> - \$256,863,878 in cash
Q1 2025	<ul style="list-style-type: none"> - \$442,324,803 million in cash
Additional Note	<ul style="list-style-type: none"> - Expect that all GIC's designated as MNRI will be reclassified as MRI in Durhams 2025 Investment Plan update. Timing of this reclassification would be tied to the timing of the GIC's migrating below 3 years to maturity.

10.3 Accommodating Cashflow needs

Income from investments will be automatically reinvested as per the ONE Distribution Policy PI and cashflow needs of Durham are expected to be financed with the sale of units of the investment pools. Payment of OCIO Fees and Governance fees will also be financed with the sale of investment pool units.

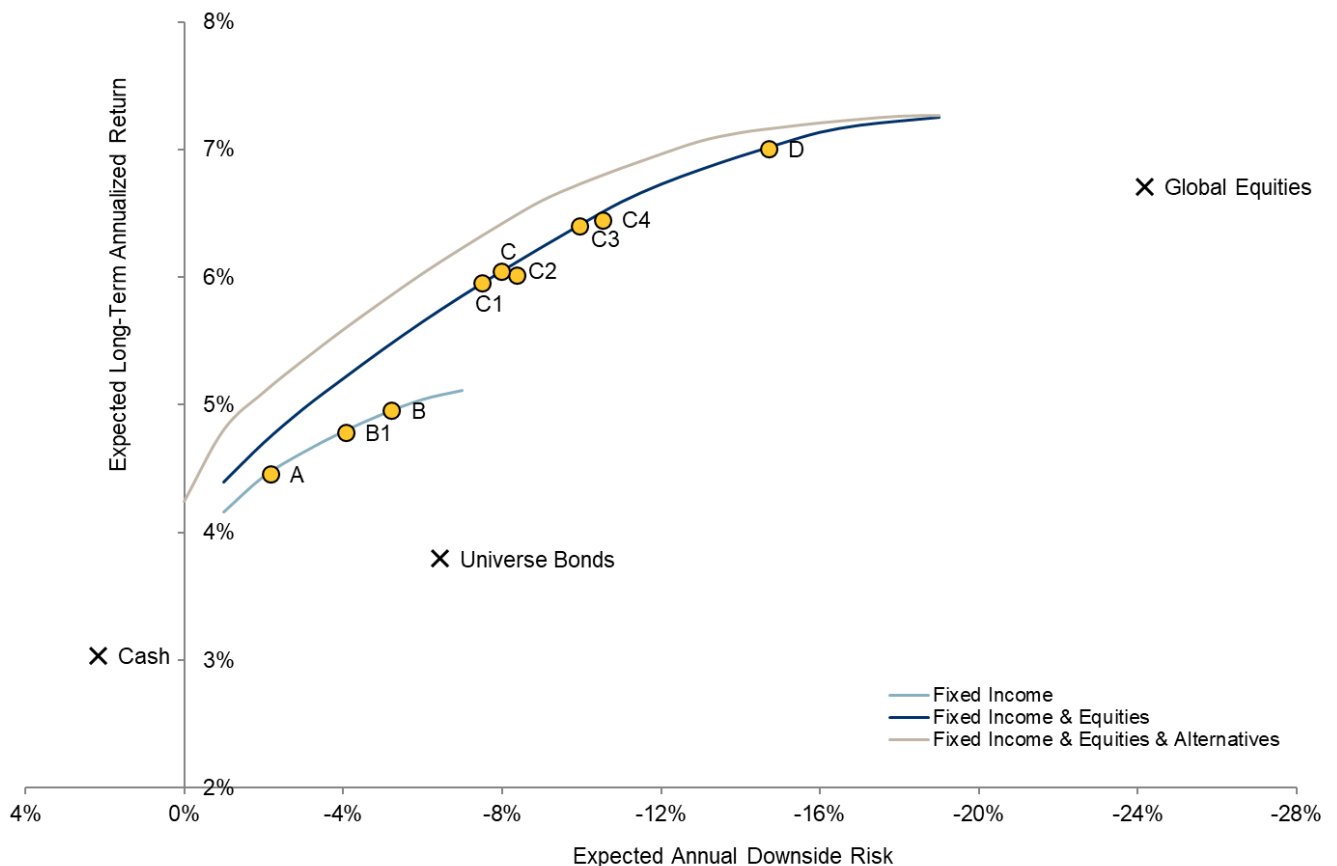
APPENDIX

Portfolio Modelling

An efficient frontier analysis is used to determine the trade-off between a portfolio's long-term expected return and short-term downside risk.

The following constraints were imposed in the optimization:

- Minimum allocation to core fixed income and money market securities of 20%
- Maximum 25% allocation to any one of money market securities, universe corporate bonds and global sovereign bonds
- Maximum 15% allocation to any one of high yield bonds, emerging market debt, multi-asset global credit
- Maximum 5% allocation to any one of private placement corporate debt and commercial mortgages when 100% fixed income
- Maximum 10% allocation to any one of private placement corporate debt and commercial mortgages when including equities and alternatives
- Maximum 50% allocation to domestic equities (as a % of total equities)
- Maximum 60% allocation to U.S. equities (as a % of total foreign equities)
- Maximum 50% allocation to low volatility equities (as a % of traditional equity counterpart)
- Maximum 5% allocation to any one of real estate and infrastructure



Portfolio A:

- 100% fixed income portfolio with a majority exposure (75%) to money market and short-term investment grade government and corporate bonds
- Very low risk, low interest rate duration and a high degree of liquidity
- Small allocation to private placement corporate debt, commercial mortgages and multi-asset global credit (25%) enhances return profile without materially impacting risk
- Suitable for a short investment horizon and a very conservative risk tolerance

Portfolio B:

- 100% fixed income portfolio with a greater exposure to credit spread duration and illiquidity premiums (55% of total portfolio)
- Slightly more risk and less liquidity than Portfolio A, but with a higher long-term return potential (5.0% vs. 4.5%)
- Also suitable for a short investment horizon and a relatively conservative risk tolerance, but more complex in terms of asset allocation
- Portfolio B1 reduces the allocation to high yield in favour of short-term bonds and money market

Portfolio C:

- 68% fixed income portfolio with a more substantial allocation to private placement corporate debt, commercial mortgages and global multi-asset credit in order to move up the risk/return spectrum
- 32% exposure to traditional and low volatility equities to create more return potential (6.0% expected return)
- Suitable for a medium investment horizon and a moderate risk tolerance
- Portfolio C1 reduces the equity allocation to 30%; Portfolio C2 allocates to Universe duration bonds
- Portfolio C3 increases the equity allocation to 40%; Portfolio C4 allocates to Universe duration bonds

Portfolio D:

- Majority (70%) equity portfolio targeting higher growth potential (7.0% expected return)
- Suitable for a long investment horizon and the ability to tolerate larger short-term drawdowns

Selected Portfolios

MNRI Horizon	Risk Tolerance	Modelled Portfolio
3 – 5 Years	Risk tolerance is low	B1
6 – 10 Years	Risk tolerance is low to moderate	C1
10+ Years	Risk tolerance is low to moderate	C2

The OCIO has confirmed that recommendations provided in this Investment Plan consider the details in Durham's IPS, KYC documentation (MCQ) and are reflective of meeting notes and all other guidance provided by municipal staff and ONE Investment's CIO. We believe the allocations in this investment plan are appropriate bases on these considerations.

Modeled Expectations ¹	B1	C1	C2
Long-Term Return	4.8%	6.0%	6.0%
Annual Downside Risk ²	-4.1%	-7.5%	-8.4%
Annual Volatility	3.3%	5.1%	5.5%
Sharpe Ratio	0.53	0.57	0.54
Fixed Income	100%	70%	70%
Canadian Money Market	0%	0%	0%
Short-Term Bonds and Mortgages	50%	35%	17.5%
Universe Bond Strategy	0%	0%	0%
Enhanced Universe Bond Strategy	0%	0%	17.5%
Corporate Bonds	20%	0%	0%
Private Placement Corporate Debt	5%	10%	10%
Commercial Mortgages	5%	10%	10%
Global Sovereign Bonds	0%	0%	0%
High Yield Bonds	5%	0%	0%
Emerging Market Debt	0%	0%	0%
Global Multi-Asset Credit	15%	15%	15%
Equities	0%	30%	30%
Canadian Equities	0%	7.5%	7.5%
Canadian Low Volatility Equities	0%	7.5%	7.5%
U.S. Equities	0%	5%	5%
U.S. Low Volatility Equities	0%	5%	5%
International Equities	0%	5%	5%
Alternatives	0%	0%	0%
Canadian Core Real Estate	0%	0%	0%
Global Infrastructure	0%	0%	0%

¹ Refer to appendix for modeling assumptions and disclosures.

² CVaR95 which represents the expected loss during the worst 5% of return outcomes.

Hypothetical performance analyses are for illustrative purposes only and there is no guarantee that hypothetical returns or projections will be realized.

Capital Market Expectations

Asset Classes	Representative Data Series	Expected Long-Term Return	Expected Annual Volatility	Expected Annual Downside Risk
Cash	FTSE Canada 30 Day TBill Index	3.0%	0.4%	2.2%
Universe Bonds	FTSE Canada Universe Bond Index	3.8%	4.7%	-6.4%
Canadian Money Market	PH&N Canadian Money Market Strategy	3.2%	0.9%	1.4%
Short-Term Bonds and Mortgages	Custom Index ¹	3.8%	2.4%	-1.3%
Universe Bond Strategy	Custom Index ²	4.0%	4.7%	-6.7%
Enhanced Universe Bond Strategy	Custom Index ³	4.2%	4.8%	-6.9%
Corporate Bonds	Custom Index ⁴	4.5%	4.2%	-5.6%
Private Placement Corporate Debt	Custom Index ⁵	5.4%	5.1%	-7.5%
Commercial Mortgages*	Custom Index ⁶	6.7%	3.4%	-7.1%
Global Sovereign Bonds	Custom Index ⁷	3.5%	4.0%	-4.9%
High Yield Bonds	ICE BofA US High Yield Master II (CAD-Hedged)	5.7%	9.8%	-16.7%
Emerging Market Debt	Custom Index ⁸	5.6%	10.7%	-14.7%
Global Multi-Asset Credit	Custom Index ⁹	6.7%	8.4%	-16.4%
Canadian Equities	S&P/TSX Composite Index	8.3%	16.9%	-26.1%
Canadian Low Volatility Equities	RBC QUBE Low Volatility Canadian Equity Strategy	7.4%	11.7%	-15.1%
U.S. Equities	S&P 500 Index (CAD)	6.0%	14.8%	-23.4%
U.S. Low Volatility Equities	RBC QUBE Low Volatility U.S. Equity Strategy (CAD)	5.4%	12.8%	-15.8%
International Equities	MSCI EAFE Index (CAD)	8.0%	16.4%	-28.7%
Global Equities	MSCI World Index (CAD)	6.7%	14.4%	-24.2%
Canadian Core Real Estate*	RBC Canadian Core Real Estate Strategy	6.3%	9.6%	-13.1%
Global Infrastructure*	EDHEC Infra 300 Index (Local)	6.7%	11.5%	-16.4%

Capital market assumptions represent the views of PH&N Institutional for the purposes of illustrating and understanding the potential risk-reward trade-off of different portfolio decisions and are established by considering a variety of qualitative and quantitative sources of information including: different forecasting models; internal and external research; existing and implied future conditions as priced by capital markets; and internal views of our fund managers. Expected long term annualized returns are for a 10 year forecast time horizon. Volatilities, downside risk and correlations are estimated from historical data and adjusted as required to reflect future market conditions. Investors should be aware of the limitations using forward-looking assumptions in that there is absolutely no guarantee that future performance will occur according to any ex-ante

* Expected long-term return net of fees.

¹ 49% FTSE Canada Short Term Government Bond Index, 45% FTSE Canada Short Term Corporate Bond Index and 6% PH&N Mortgage Strategy.

² 20% FTSE Canada Federal Bond Index, 35% FTSE Canada Provincial Bond Index and 45% FTSE Canada All Corporate Bond Index.

³ 12.5% FTSE Canada Federal Bond Index, 32.5% FTSE Canada Provincial Bond Index, 45% FTSE Canada All Corporate Bond Index, 7.5% PH&N Mortgage Strategy and 2.5% ICE BofA US High Yield Master II (CAD-H).

⁴ 25% FTSE Canada Corporate AA+ Bond Index, 25% FTSE Canada Corporate A Bond Index and 50% FTSE Canada Corporate BBB Bond Index.

⁵ 96% FTSE Canada Mid Term Federal and 4% FTSE Canada Long Term Federal Bond Index + 50% FTSE Canada Short Term Corporate Bond Index (spread) and 50% FTSE Canada Mid Term Corporate Bond Index (spread).

⁶ 41% PH&N Mortgage Strategy and 59% PH&N High Yield Mortgage Strategy.

⁷ 90% ICE BofA Global Government Index (CAD-H), 3% ICE BofA US High Yield Master II (CAD-H), 2.5% J.P. Morgan Emerging Market Bond Index (CAD-H), 2.5% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H) and 2% RBC Emerging Markets Foreign Exchange Strategy.

⁸ 24% J.P. Morgan Emerging Market Bond Index (CAD-H), 18% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H) and 58% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H) (weights according to the market capitalization of each individual index as at December 31, 2023).

⁹ 7.5% ICE BofA 3 Month US T-Bills (CAD-H), 35% ICE BofA Global High Yield Index (CAD-H), 11.25% J.P. Morgan Emerging Market Bond Index (CAD-H), 11.25% J.P. Morgan Corporate Emerging Markets Bond Index (CAD-H), 7.5% J.P. Morgan Government Bond Index-Emerging Markets (GBI-EM) (CAD-H), 7.5% Credit Suisse Leveraged Loan Index (CAD-H) and 20% Thomson Reuters Convertible Global Focus Index (CAD-H).

