

RBC Global Asset Management
PH&N Institutional

Attachment 1

ONE Investment

Transition Plan for 11 P.I. Municipalities

Presented by

Martin Leclair, CFA, Vice President & Portfolio Manager
Paul Purcell, CFA, Managing Director & Portfolio Manager
Dylan Rae, CFA, Portfolio Manager

Overview

Objective: to determine the adequate Outcome Framework's allocation to RBC GAM funds and to recommend a Q1 2025 transition plan for the 11 investors.

Methodology: The recommended RBC GAM's fund allocation should seek to replicate the market and risk factor exposures of the ONE Investment funds.

- Keep the asset mix for the Outcome Framework unchanged (this is not a portfolio modeling exercise)
- Fixed Income: Seek to maintain risk metrics constant (duration, credit rating)
- Equities: Keep same benchmarks, but improve diversification of style

Inputs:

- Outcome Framework
- Performance benchmarks for ONE Investment funds
- RBC GAM Fund positioning and risk exposures
- Asset classes and funds corresponding to the approved list of 34 pooled funds

ONE Canadian Government Bond Fund

	Performance Benchmark					
	100%	60%	40%	40%	60%	100%
	ONE Canadian Government Bond Fund	FTSE Canada All Government Short Bond Index	FTSE Canada 91 Day T-Bill Index	PH&N Canadian Money Market Fund	PH&N Short Term Bond & Mortgage Fund	PH&N Blend
Duration (yrs)	1.57	2.62	0	0	2.65	1.59
Yield (%)	4.20	3.90	4.66	4.96	4.39	4.62
Credit Rating	AAA	AAA	AAA	AAA	AA	AA+
Asset Mix						
Cash	40%	0%	100%	100%	3%	42%
Government	60%	100%	0%	0%	46%	28%
Provincial	0%	0%	0%	0%	0%	0%
Corporate	0%	0%	0%	0%	45%	27%
Other	0%	0%	0%	0%	7%	4%

Data as of June 30, 2024 unless otherwise indicated



ONE Canadian Corporate Bond Fund

	Performance Benchmark							
	100%	48%	40%	10%	2%	50%	50%	100%
	ONE Canadian Corporate Bond Fund	FTSE Canada All Government Bond Index	FTSE Canada Short Term Corporate A Index	FTSE Canada Universe Corporate AAA/AA Index	FTSE Canada 91 Day T-Bill Index	PH&N Canadian Bond Fund	PH&N Short Term Bond & Mortgage Fund	PH&N Blend
Duration (yrs)	5.02	7.68	2.65	2.74	0	7.06	2.65	4.86
Yield (%)	4.31	3.94	4.69	4.47	4.66	4.43	4.39	4.41
Credit Rating	AA	AAA	A	AA+	AAA	AA	AA	AA
Asset Mix								
Cash	2%	0%	0%	0%	100%	3%	3%	3%
Government	48%	100%	0%	0%	0%	24%	46%	35%
Provincial	0%	0%	0%	0%	0%	33%	0%	16%
Corporate	50%	0%	100%	100%	0%	37%	45%	41%
Other	0%	0%	0%	0%	0%	0%	7%	5%

Data as of June 30, 2024 unless otherwise indicated



ONE Global Bond Fund

	100%	Performance Benchmark 100%	80%	20%	100%
	ONE Global Bond Fund	Bloomberg Multiverse Index	RBC Global Bond Fund	BlueBay Total Return Credit Fund	PH&N Blend
Duration (yrs)	6.44	6.44	6.88	2.73	6.05
Yield (%)	4.12	4.12	4.39	6.4	4.79
Credit Rating	AA+	AA+	AA	BB+	A+
Asset Mix*					
Global Sovereigns**	62%	62%	77%	0%	61%
Global IG Credit	17%	17%	11%	1%	9%
Global HY Credit	3%	3%	0%	35%	7%
Securitized Credit	3%	3%	0%	16%	3%
Emerging Markets	16%	16%	10%	30%	14%
Others	0%	0%	2%	18%	5%

*Benchmark Asset Mix as of March 31, 2023

**Includes Agency MBS

Data as of June 30, 2024 unless otherwise indicated



Outcome Framework Fulfillment (ONE v. RBC GAM)

ONE Fund Allocations	Stable Return Outcome			Contingency Outcome			Asset Management Outcome		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	26	30	34	55	60	65	88	90	92
ONE Canadian Equity Fund		9			18			27	
ONE Global Equity Fund		21			42			63	
Fixed Income	66	70	74	35	40	45	8	10	12
ONE Canadian Government Bond Fund		19			6			1.5	
ONE Canadian Corporate Bond Fund		9			6			1.5	
ONE Global Bond Fund		42			28			7	
Total		100			100			100	

RBC GAM Fund Allocations	Stable Return Outcome			Contingency Outcome			Asset Management Outcome		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	26	30	34	55	60	65	88	90	92
PH&N Canadian Equity Value Fund		3			6			9	
PH&N Canadian Equity Fund		3			6			9	
RBC QUBE Canadian Equity Fund		3			6			9	
RBC Global Equity Focus Fund		10.5			21			31.5	
RBC QUBE Global Equity Fund		10.5			21			31.5	
Fixed Income	66	70	74	35	40	45	8	10	12
PH&N Canadian Money Market Fund		7.6			2.4			0.6	
PH&N Short Term Bond & Mortgage Fund		11.4			3.6			0.9	
PH&N Short Term Bond & Mortgage Fund		4.5			3			0.75	
PH&N Canadian Bond Fund		4.5			3			0.75	
RBC Global Bond Fund		34			22.4			5.6	
BlueBay Total Return Credit Fund		8.4			5.6			1.4	
Total		100			100			100	

Outcome Framework Fulfillment (ONE v. RBC GAM)

ONE Fund Allocations

	Target Date 3-5 Years			Target Date 5-10 Years			Target Date 10+ Years		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	8	10	12	45	50	55	71	75	79
ONE Canadian Equity Fund		3			15			22.5	
ONE Global Equity Fund		7			35			52.5	
Fixed Income	88	90	92	45	50	55	21	25	29
ONE Canadian Government Bond Fund		30.5			7.5			3.75	
ONE Canadian Corporate Bond Fund		10.5			7.5			3.75	
ONE Global Bond Fund		49			35			17.5	
Total		100			100			100	

RBC GAM Fund Allocations

	Target Date 3-5 Years			Target Date 5-10 Years			Target Date 10+ Years		
	Min	Target	Max	Min	Target	Max	Min	Target	Max
Equity	8	10	12	45	50	55	71	75	79
PH&N Canadian Equity Value Fund		1			5			7.5	
PH&N Canadian Equity Fund		1			5			7.5	
RBC QUBE Canadian Equity Fund		1			5			7.5	
RBC Global Equity Focus Fund		3.5			17.5			26.25	
RBC QUBE Global Equity Fund		3.5			17.5			26.25	
Fixed Income	88	90	92	45	50	55	21	25	29
PH&N Canadian Money Market Fund		12.5			3			1.5	
PH&N Short Term Bond & Mortgage Fund		18.3			4.5			2.25	
PH&N Short Term Bond & Mortgage Fund		5.25			3.75			1.875	
PH&N Canadian Bond Fund		5.25			3.75			1.875	
RBC Global Bond Fund		39.2			28			14	
BlueBay Total Return Credit Fund		9.8			7			3.5	
Total		100			100			100	

AUM Mapping

ONE Fund Allocations

	AUM
Equity	
ONE Canadian Equity Fund	\$ 97,106,394
ONE Global Equity Fund	\$ 218,326,525
Fixed Income	
ONE Canadian Government Bond Fund	\$ 103,827,220
ONE Canadian Corporate Bond Fund	\$ 48,310,685
ONE Global Bond Fund	\$ 229,047,438
Total	\$ 696,618,261

RBC GAM Fund Allocations*

	AUM
Equity	
PH&N Canadian Equity Value Fund	\$ 32,045,110
PH&N Canadian Equity Fund	\$ 32,045,110
RBC QUBE Canadian Equity Fund	\$ 32,045,110
RBC Global Equity Focus Fund	\$ 109,163,263
RBC QUBE Global Equity Fund	\$ 109,163,263
Fixed Income	
PH&N Canadian Money Market Fund	\$ 41,530,888
PH&N Short Term Bond & Mortgage Fund	\$ 62,296,332
PH&N Short Term Bond & Mortgage Fund	\$ 24,155,343
PH&N Canadian Bond Fund	\$ 24,155,343
RBC Global Bond Fund	\$ 183,237,950
BlueBay Total Return Credit Fund	\$ 45,809,488
Total	\$ 696,618,261

* The funds recommended here have the capacity and liquidity required to execute an asset transfer of this magnitude.

Disclaimer

This presentation is intended for institutional investors only.

This document has been provided by PH&N Institutional for information purposes only and may not be reproduced, distributed or published without the written consent of PH&N Institutional. It is not intended to provide professional advice and should not be relied upon in that regard. Any securities information provided in this presentation is confidential and for illustration purposes only to demonstrate the investment management process of the investment team(s), and is not a recommendation to buy or sell any specific security.

PH&N Institutional takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when printed. PH&N Institutional reserves the right at any time and without notice to change, amend or cease publication of the information.

Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by PH&N Institutional, its affiliates or any other person as to its accuracy, completeness or correctness. We assume no responsibility for any errors or omissions in such information.

This information is not intended to be an offer or solicitation to buy or sell securities or to participate in or subscribe for any service. No securities are being offered, except pursuant and subject to the respective offering documents and subscription materials, which shall be provided to qualified investors. This document is for general information only and is not, nor does it purport to be, a complete description of an investment in any RBC, PH&N or BlueBay funds. If there is an inconsistency between this document and the respective offering documents, the provisions of the respective offering documents shall prevail.

Commissions, trailing commissions, management fees and expenses all may be associated with the funds mentioned in this presentation. Please read the offering materials for a particular fund before investing. The performance data provided are historical returns, they are not intended to reflect future values of any of the funds or returns on investment in these funds mentioned in this presentation. Further, the performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. The unit values of non-money market funds change frequently. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. Mutual fund securities are not guaranteed by the Canada Deposit Insurance Corporation or by any other government deposit insurer. Past performance may not be repeated.

The amount of risk associated with any particular investment depends largely on the investor's own circumstances. Investors should consult their professional advisors/consultants regarding the suitability of the investment solutions mentioned in this presentation.

This document may contain forward-looking statements about general economic factors which are not guarantees of future performance. Forward-looking statements involve inherent risk and uncertainties, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement. All opinions in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

PH&N Institutional is the institutional business division of RBC Global Asset Management Inc. (RBC GAM Inc.). RBC GAM Inc. is the manager and principal portfolio adviser of the Phillips, Hager & North (PH&N) investment funds and RBC investment funds.

RBC GAM is the asset management division of Royal Bank of Canada (RBC) which includes RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (Asia) Limited and RBC Indigo Asset Management Inc., which are separate, but affiliated subsidiaries of RBC.

®/™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc., 2024.

VANCOUVER

Waterfront Centre, 20th Floor
200 Burrard Street
Vancouver, British Columbia
V6C 3N5 Canada
T 604-408-6000

TORONTO

22nd Floor
155 Wellington St. West
Toronto, Ontario
M5V 3K7 Canada
T 416-974-2710

MONTRÉAL

9th Floor, North Wing
1 Place Ville Marie
Montréal, Québec
H3B 1Z5 Canada
T 514-876-1256