

# ONE Joint Investment Board

Quarterly Meeting: May 29, 2025

**Presented by:**

Martin Leclair, CFA, Vice President & Institutional Portfolio Manager  
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**Guest speakers:**

Ashley McGovern, CFA, Associate Institutional Portfolio Manager  
Erik Jackson, CFA, Institutional Portfolio Manager

# Agenda

- Portfolio Update
- Economic Outlook and Capital Markets Update
- Fund Performance
- Strategy Overview
  - QUBE Low Volatility funds
- Strategy Overview
  - PH&N Short Term Bond & Mortgage Fund
  - PH&N Enhanced Total Return Bond Fund
  - PH&N Bond Fund

# Portfolio Update

# Portfolio transition

**MARCH 4 (pm)**  
CIBC Mellon

**MARCH 5 (am)**  
Money wired to RBC  
Transaction Date

**MARCH 6 (am)**  
Settlement Date



**9 Municipalities**  
Transitioned as per plan



**2 Municipalities**  
Adopting the ONE JIB  
Models

## **Significant, complex operation:**

- \$709m in AUM
- 11 municipalities
- 35 new portfolios
- 326 pooled fund trades all executed on March 5<sup>th</sup>
- 100% completion success

**On-going communication between ONE Investment and PH&N Institutional**

Aurora; Aylmer; Bracebridge; Thunder Bay; Muskoka;  
Huntsville; Innisfil; Kenora; Whitby

Quinte West; Neebing

# Capital markets update

## Key Index returns as of March 31, 2025

Total Return (%)	3M	1Y	2Y	3Y	4Y	5Y	Benchmark exposure across platform	1 Month, as of April 30, 2025
S&P/TSX Capped Composite Index	1.51	15.81	14.88	7.77	10.75	16.76	14.2%	-0.10
S&P 500 Index (CAD)	-4.17	15.00	22.35	14.30	14.49	19.12	6.5%	-4.85
MSCI World Net Index (CAD)	-1.72	13.84	19.34	12.79	11.94	16.39	9.0%	-3.17
MSCI EAFE Net Index (CAD)	6.94	11.55	13.41	11.18	8.42	12.02	3.5%	0.37
FTSE Canada 91 Day Tbill Index	0.83	4.49	4.67	4.04	3.09	2.51	1.8%	0.21
FTSE Canada Short Term Overall Bond Index	1.69	7.14	5.29	3.74	1.93	2.10	22.6%	0.12
FTSE Canada Universe Bond Index	2.02	7.65	4.84	2.50	0.70	0.88	12.4%	-0.65
FTSE WGBI Index (CAD)	0.52	2.40	2.15	-0.60	-1.45	-1.40	8.1%	1.02
Canadian CPI (Non-Seasonally Adjusted) <sup>1</sup>	1.43	2.32	2.61	3.17	4.03	3.66	-	-

Canadian CPI (Non-Seasonally Adjusted) series is 1-month lagged.

RBC Global Asset Management  
PH&N Institutional



# Model portfolios - performance (March 31, 2025)

Model Portfolio Return (%)	3 Months	YTD	Since Inception	1 Month, as of April 30, 2025
<b>Short-Term Model (A) - 0% Equities</b>	<b>1.77</b>	<b>1.77</b>	<b>1.77</b>	<b>-0.05</b>
<i>Reference Portfolio A</i>	<i>1.67</i>	<i>1.67</i>	<i>1.67</i>	<i>0.14</i>
<b>Short-Term Model (B) - 20% Equities</b>	<b>2.01</b>	<b>2.01</b>	<b>2.01</b>	<b>-0.14</b>
<i>Reference Portfolio B</i>	<i>1.65</i>	<i>1.65</i>	<i>1.65</i>	<i>0.09</i>
<b>Mid-Term Model (C) - 30% Equities</b>	<b>2.07</b>	<b>2.07</b>	<b>2.07</b>	<b>-0.35</b>
<i>Reference Portfolio C</i>	<i>1.63</i>	<i>1.63</i>	<i>1.63</i>	<i>0.07</i>
<b>Mid-Term Model (D) - 40% Equities</b>	<b>2.18</b>	<b>2.18</b>	<b>2.18</b>	<b>-0.41</b>
<i>Reference Portfolio D</i>	<i>1.62</i>	<i>1.62</i>	<i>1.62</i>	<i>0.04</i>
<b>Mid-Term Model (D+) - 40% Equities</b>	<b>2.09</b>	<b>2.09</b>	<b>2.09</b>	<b>-0.45</b>
<i>Reference Portfolio D+</i>	<i>1.61</i>	<i>1.61</i>	<i>1.61</i>	<i>0.03</i>
<b>Mid-Term Model (E) - 50% Equities</b>	<b>2.17</b>	<b>2.17</b>	<b>2.17</b>	<b>-0.46</b>
<i>Reference Portfolio E</i>	<i>1.60</i>	<i>1.60</i>	<i>1.60</i>	<i>0.01</i>
<b>Mid-Term Model (E+) - 50% Equities</b>	<b>2.10</b>	<b>2.10</b>	<b>2.10</b>	<b>-0.49</b>
<i>Reference Portfolio E+</i>	<i>1.59</i>	<i>1.59</i>	<i>1.59</i>	<i>0.01</i>
<b>Long-Term Model (F) - 60% Equities</b>	<b>1.96</b>	<b>1.96</b>	<b>1.96</b>	<b>-0.72</b>
<i>Reference Portfolio F</i>	<i>1.59</i>	<i>1.59</i>	<i>1.59</i>	<i>0.00</i>
<b>Long-Term Model (F+) - 60% Equities</b>	<b>1.42</b>	<b>1.42</b>	<b>1.42</b>	<b>-0.51</b>
<i>Reference Portfolio F+</i>	<i>1.58</i>	<i>1.58</i>	<i>1.58</i>	<i>-0.02</i>
<b>Long-Term Model (G) - 70% Equities</b>	<b>1.80</b>	<b>1.80</b>	<b>1.80</b>	<b>-1.00</b>
<i>Reference Portfolio G</i>	<i>1.57</i>	<i>1.57</i>	<i>1.57</i>	<i>-0.03</i>

Reference Portfolios are comprised of Canadian equity (S&P/TSX) and Canadian fixed income (FTSE Canada Universe Bond Index) reflecting each model's bond and equity allocated weights.

# Model portfolios - allocations

Models	A	B	C	D	E	F	G
<b>Fixed Income</b>	<b>100%</b>	<b>80%</b>	<b>70%</b>	<b>60%</b>	<b>50%</b>	<b>40%</b>	<b>30%</b>
Canadian Money Market							
Short-Term Bonds and Mortgages	50%	50%	35%	25%	20%	20%	20%
Corporate Bonds	20%						
Private Placement Corporate Debt	5%	10%	10%	10%	5%		
Commercial Mortgages	5%	10%	10%	10%	10%	10%	10%
High Yield Bonds	5%						
Global Multi-Asset Credit	15%	10%	15%	15%	15%	10%	
<b>Equities</b>	<b>0%</b>	<b>20%</b>	<b>30%</b>	<b>40%</b>	<b>50%</b>	<b>60%</b>	<b>70%</b>
Canadian Equities		5%	7%	10%	15%	25%	35%
Canadian Low Volatility Equities		5%	7%	10%	10%	5%	
U.S. Equities		2%	4%	5%	5%	6%	7%
U.S. Low Volatility Equities		2%	4%	5%	5%	6%	7%
International Equities		6%	8%	10%	15%	18%	21%

# Performance (March 31, 2025) – ‘Models’

Total Portfolio Return	3 Months	Since Inception	Market Value	Inception Date	1 Month, as of April 30, 2025
<b>Durham</b>	<b>2.05</b>	<b>6.62</b>	<b>1,517,854,918.49</b>	<b>07/17/2024</b>	<b>-0.49</b>
<i>Reference Portfolio</i>	<i>1.88</i>	<i>7.06</i>			<i>-0.49</i>
<b>Clarington</b>	<b>-</b>	<b>2.60</b>	<b>20,526,330.64</b>	<b>01/14/2025</b>	<b>-1.01</b>
<i>Model Portfolio G</i>		<i>2.69</i>			<i>-0.26</i>
<b>Central Frontenac</b>	<b>-</b>	<b>2.73</b>	<b>2,877,431.13</b>	<b>01/14/2025</b>	<b>-0.73</b>
<i>Reference Portfolio F</i>		<i>2.85</i>			<i>-0.32</i>
<b>Red Lake</b>	<b>-</b>	<b>2.95</b>	<b>2,270,409.47</b>	<b>01/14/2025</b>	<b>-0.42</b>
<i>Reference Portfolio D+</i>		<i>2.93</i>			<i>-0.35</i>
<b>Quinte West</b>	<b>-</b>	<b>-0.29</b>	<b>33,074,381.03</b>	<b>03/06/2025</b>	<b>-0.41</b>
<i>Reference Portfolio D</i>		<i>0.23</i>			<i>-0.43</i>
<b>Neebing</b>	<b>-</b>	<b>-0.47</b>	<b>2,882,827.79</b>	<b>03/06/2025</b>	<b>-0.46</b>
<i>Reference Portfolio E</i>		<i>0.28</i>			<i>-0.37</i>

Reference Portfolios are comprised of Canadian equity (S&P/TSX) and Canadian fixed income (FTSE Canada Universe Bond Index) reflecting each model's bond and equity allocated weights.



# Performance (March 31, 2025) – ‘Outcome framework’

Total Portfolio Return	3 Months	Since Inception	Market Value	Inception Date	1 Month, as of April 30, 2025
<b>Aurora</b>	-	<b>-0.92</b>	<b>51,700,303.30</b>	<b>03/06/2025</b>	<b>-0.50</b>
<i>Reference Portfolio</i>		<i>0.25</i>			<i>-0.41</i>
<b>Aylmer</b>	-	<b>-1.65</b>	<b>1,759,204.89</b>	<b>03/06/2025</b>	<b>-1.29</b>
<i>Reference Portfolio</i>		<i>0.39</i>			<i>-0.24</i>
<b>Bracebridge</b>	-	<b>-1.48</b>	<b>7,909,866.29</b>	<b>03/06/2025</b>	<b>-1.07</b>
<i>Reference Portfolio</i>		<i>0.36</i>			<i>-0.27</i>
<b>Thunder Bay</b>	-	<b>-0.91</b>	<b>130,296,649.05</b>	<b>03/06/2025</b>	<b>-0.52</b>
<i>Reference Portfolio</i>		<i>0.25</i>			<i>-0.41</i>
<b>Muskoka</b>	-	<b>-1.08</b>	<b>138,406,365.53</b>	<b>03/06/2025</b>	<b>-0.63</b>
<i>Reference Portfolio</i>		<i>0.28</i>			<i>-0.37</i>
<b>Huntsville</b>	-	<b>-0.89</b>	<b>11,165,848.16</b>	<b>03/06/2025</b>	<b>-0.50</b>
<i>Reference Portfolio</i>		<i>0.24</i>			<i>-0.41</i>
<b>Innisfil</b>	-	<b>-0.98</b>	<b>61,615,392.76</b>	<b>03/06/2025</b>	<b>-0.53</b>
<i>Reference Portfolio</i>		<i>0.26</i>			<i>-0.39</i>
<b>Kenora</b>	-	<b>-0.75</b>	<b>66,603,914.85</b>	<b>03/06/2025</b>	<b>-0.29</b>
<i>Reference Portfolio</i>		<i>0.22</i>			<i>-0.44</i>
<b>Whitby</b>	-	<b>-0.83</b>	<b>197,635,367.25</b>	<b>03/06/2025</b>	<b>-0.50</b>
<i>Reference Portfolio</i>		<i>0.23</i>			<i>-0.42</i>

Reference Portfolios are comprised of Canadian equity (S&P/TSX) and Canadian fixed income (FTSE Canada Universe Bond Index) reflecting each model's bond and equity allocated weights.

# Queued allocations (March 31, 2025)

Portfolio		Current Market Value	Strategic Benchmark	Current Weight	Variance vs Strategic Allocation
<b>Durham Short</b>					
	<i>PH&amp;N Private Placement Corporate Debt Fund</i>	\$ 5,104,773.47	5.0%	5.1%	0.1%
	<i>RBC Commercial Mortgage Fund</i>	\$ 2,917,635.66	5.0%	2.9%	-2.1%
	<i>PH&amp;N High Yield Bond Fund</i>	\$ -	2.5%	0.0%	-2.5%
<b>Durham Medium</b>					
	<i>PH&amp;N Private Placement Corporate Debt Fund</i>	\$ 6,841,039.88	10.0%	10.1%	0.1%
	<i>RBC Commercial Mortgage Fund</i>	\$ 3,929,835.12	10.0%	5.8%	-4.2%
<b>Durham Long</b>					
	<i>PH&amp;N Private Placement Corporate Debt Fund</i>	\$ 121,010,095.62	10.0%	9.1%	-0.9%
	<i>RBC Commercial Mortgage Fund</i>	\$ 47,870,208.16	10.0%	3.6%	-6.4%
<b>Clarington – Model G</b>					
	<i>RBC Commercial Mortgage Fund</i>	\$ 300,000.00	10.0%	1.5%	-8.5%
<b>Central Frontenac – Model F</b>					
	<i>RBC Commercial Mortgage Fund</i>	\$ 42,000.00	10.0%	1.5%	-8.5%
<b>Red Lake – Model D</b>					
	<i>PH&amp;N Private Placement Corporate Debt Fund</i>	\$ 162,840.04	10.0%	7.2%	-2.8%
	<i>RBC Commercial Mortgage Fund</i>	\$ 33,000.00	10.0%	1.5%	-8.5%
<b>Neebing – Model E</b>					
	<i>PH&amp;N Private Placement Corporate Debt Fund</i>	\$ -	5.0%	0.0%	-5.0%
	<i>RBC Commercial Mortgage Fund</i>	\$ -	10.0%	0.0%	-10.0%
<b>Quinte West – Model D</b>					
	<i>PH&amp;N Private Placement Corporate Debt Fund</i>	\$ -	10.0%	0.0%	-10.0%
	<i>RBC Commercial Mortgage Fund</i>	\$ -	10.0%	0.0%	-10.0%

# Queued allocations and capital calls (May 15, 2025)

## RBC Commercial Mortgage Fund *(Drawdown on March 31<sup>st</sup>)*

Account Number	Unitholder Name	Initial commitments	Capital called Year-to-date	Remaining position in queue (post capital call)	% of commitment funded
ML102	ONE Investment - Durham Short	\$ 4,900,000.00	\$ 2,869,500.00	\$ 2,030,500.00	59%
ML103	ONE Investment - Durham Medium	\$ 6,600,000.00	\$ 3,865,000.00	\$ 2,735,000.00	59%
ML104	ONE Investment - Durham Long	\$ 132,185,672.38	\$ 47,246,400.00	\$ 84,939,272.38	36%
ML112	ONE Investment - Clarington	\$ 2,000,000.00	\$ 300,000.00	\$ 1,700,000.00	15%
ML122	ONE Investment - Central Frontenac	\$ 280,000.00	\$ 42,000.00	\$ 238,000.00	15%
ML132	ONE Investment - Red Lake	\$ 220,000.00	\$ 33,000.00	\$ 187,000.00	15%
ML212	ONE Investment - Municipality of Neebing	\$ 289,640.41	\$ -	\$ 289,640.41	0%
ML222	ONE Investment - City of Quinte West	\$ 3,317,147.88	\$ -	\$ 3,317,147.88	0%

## PH&N Private Placement Debt Fund *(Drawdowns on February 20<sup>th</sup> and May 7<sup>th</sup>)*

Account Number	Unitholder Name	Initial commitments	Capital called Year-to-date	Remaining position in queue (post capital call)	% of commitment funded
ML102/3/4	ONE Investment - Durham	\$ 140,100,000.00	\$ 37,400,00.00	\$ 7,041,733.00	95%
ML132	ONE Investment - Red Lake	\$ 220,000.00	\$ 190,000.00	\$ 30,000.00	86%
ML222	ONE Investment - Quinte West	\$ 3,317,148.00	\$ 1,620,000.00	\$ 1,697,148.00	49%
ML212	ONE Investment - Neebing	\$ 144,820.00	\$ 80,000.00	\$ 64,820.00	55%

# Fund substitutions

Fund Name	Substitution Fund	Comments
RBC Commercial Mortgage Fund	PH&N Short Term Bond and Mortgage Fund	<ul style="list-style-type: none"> <li>In queue</li> <li>We are working to have the allocations funded as quickly as possible</li> </ul>
PH&N Private Placement Corporate Debt Fund	PH&N Enhanced Total Return Bond Fund	<ul style="list-style-type: none"> <li>Timing is TBD and dependent on a variety of factors, including investment deal flow and the account's position in the respective queues.</li> </ul>
PH&N High Yield Bond Fund	RBC High Yield Bond Fund	<ul style="list-style-type: none"> <li>PH&amp;N High Yield Bond Fund is currently soft closed</li> <li>Allocation will be funded at its next re-opening, which is TBD</li> </ul>

As of December 31, 2024. Source: RBC GAM

# Economic Outlook and Capital Markets Update

# Tariff state of affairs



## **Significant tariffs in place:**

- 10% baseline reciprocal tariffs for most of world
- China average tariff > 100%
- Sector tariffs: steel, aluminum, autos
- Retaliation by China, Canada, others



## **Recent direction of travel → lower tariffs / more exemptions**

- Reciprocal tariff delay
- Electronics exempted from U.S. tariffs
- Certain exemptions from auto tariffs
- Truce with China

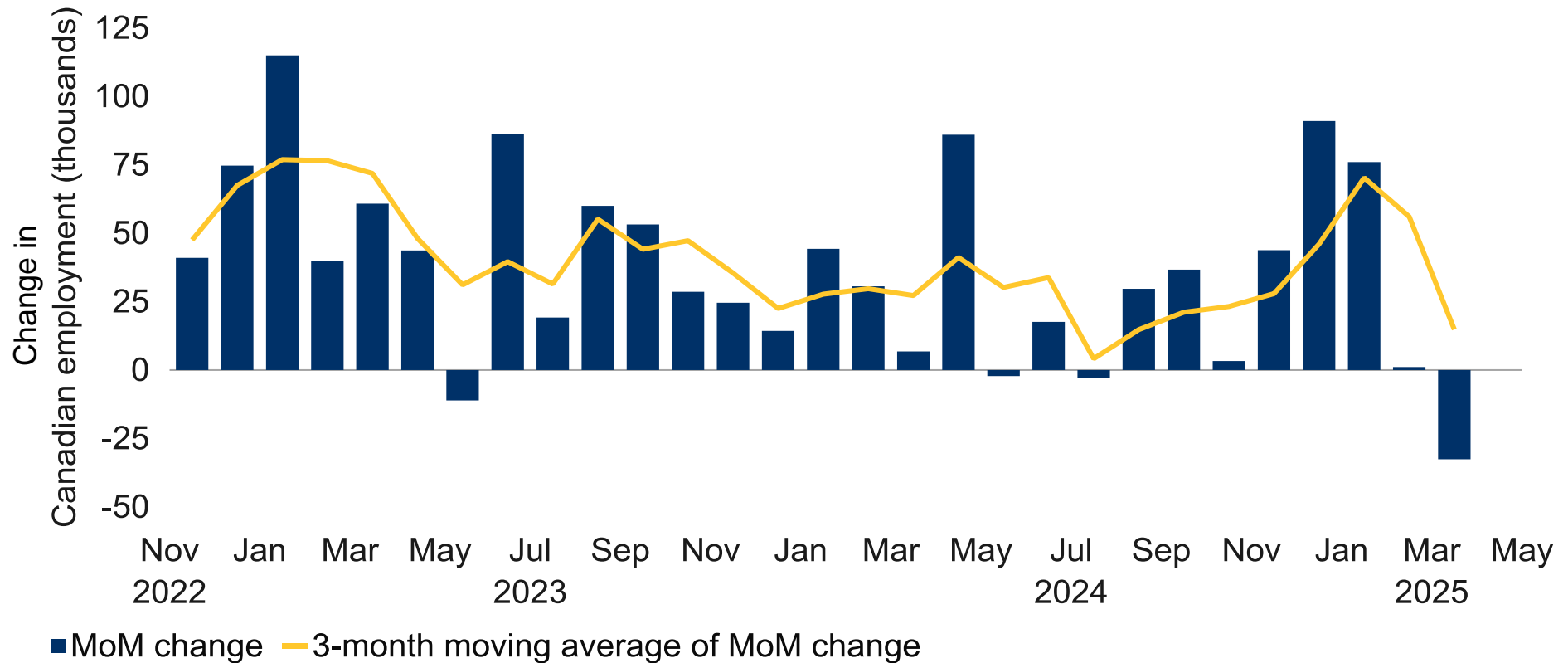


## **Further tariff threats ahead:**

- 90-day delay on reciprocal tariffs expires in July
- USMCA re-negotiations pending
- Further sector tariffs planned: auto parts, copper, forestry, chips, pharmaceuticals
- U.S. de minimis exemption ends in May
- Tariff economic pain arrives with a lag

# High uncertainty already doing economic damage to Canada

Canadian employment shows recent damage

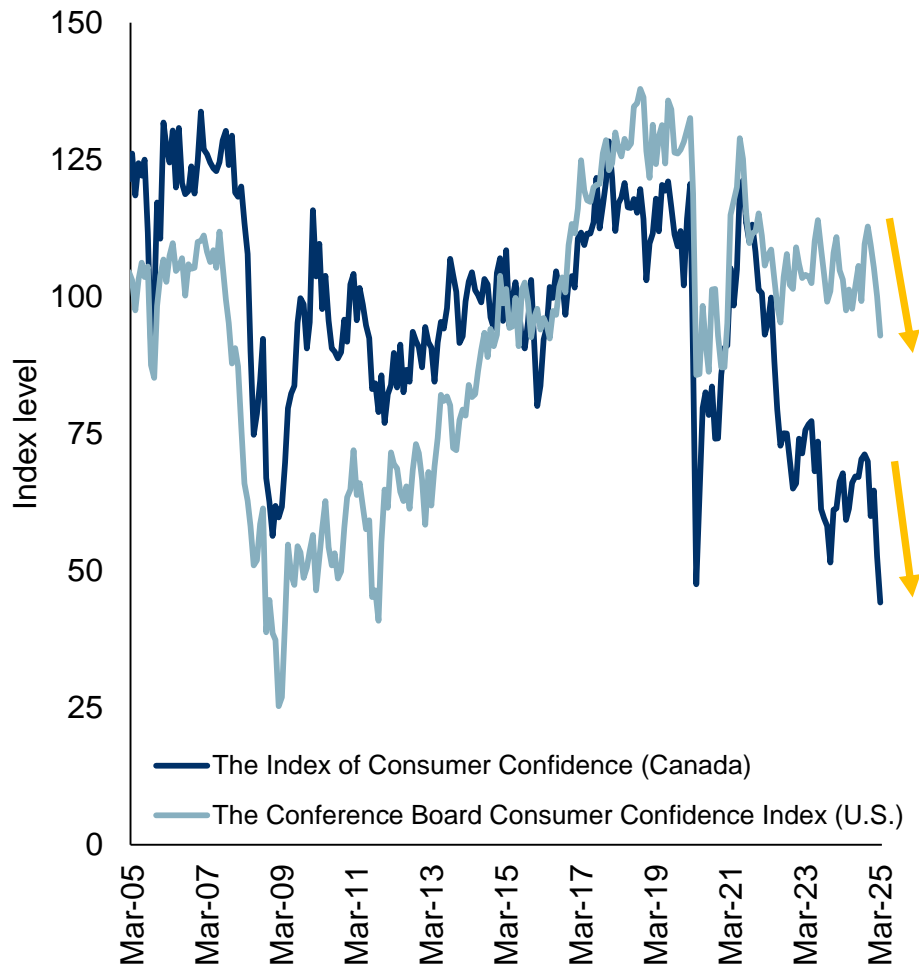


Note: As of March 2025. Source: Statistics Canada, Macrobond, RBC GAM

# Waning optimism hurting growth and inflation expectations

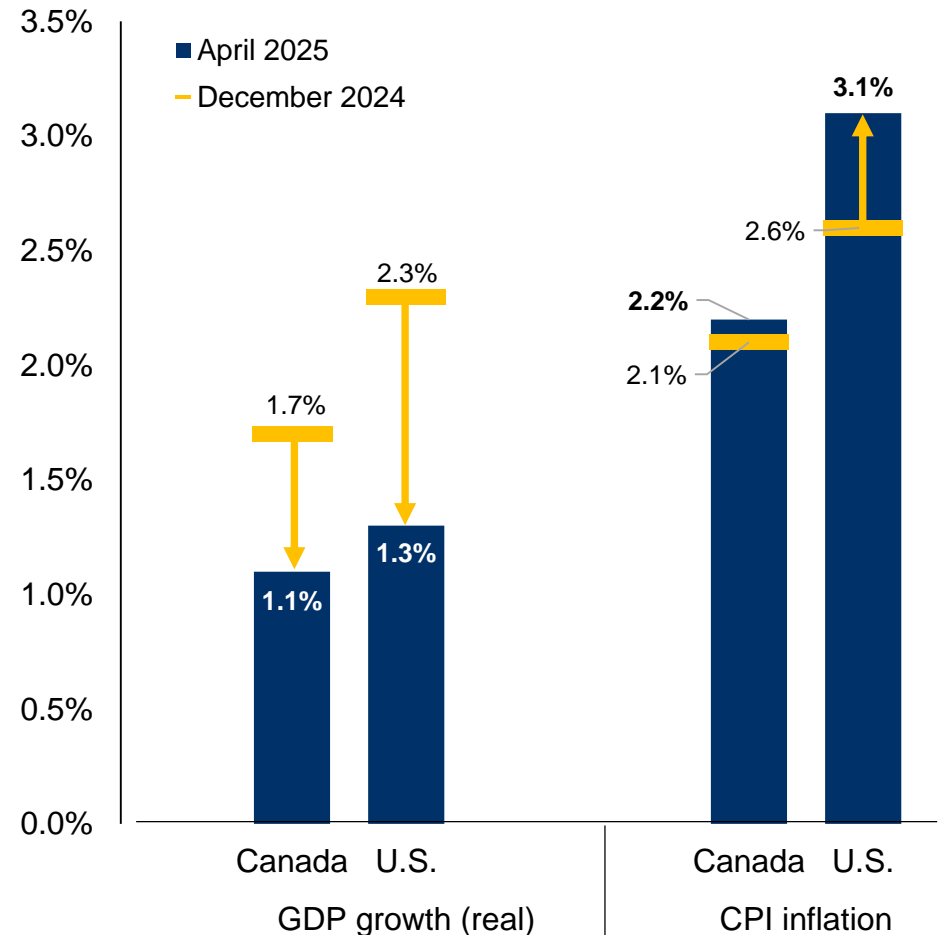
Both Canada and U.S. expected to be negatively impacted by tariffs

## Consumer sentiment



Source: RBC GAM, The Conference Board of Canada, The Conference Board

## RBC GAM economic forecasts



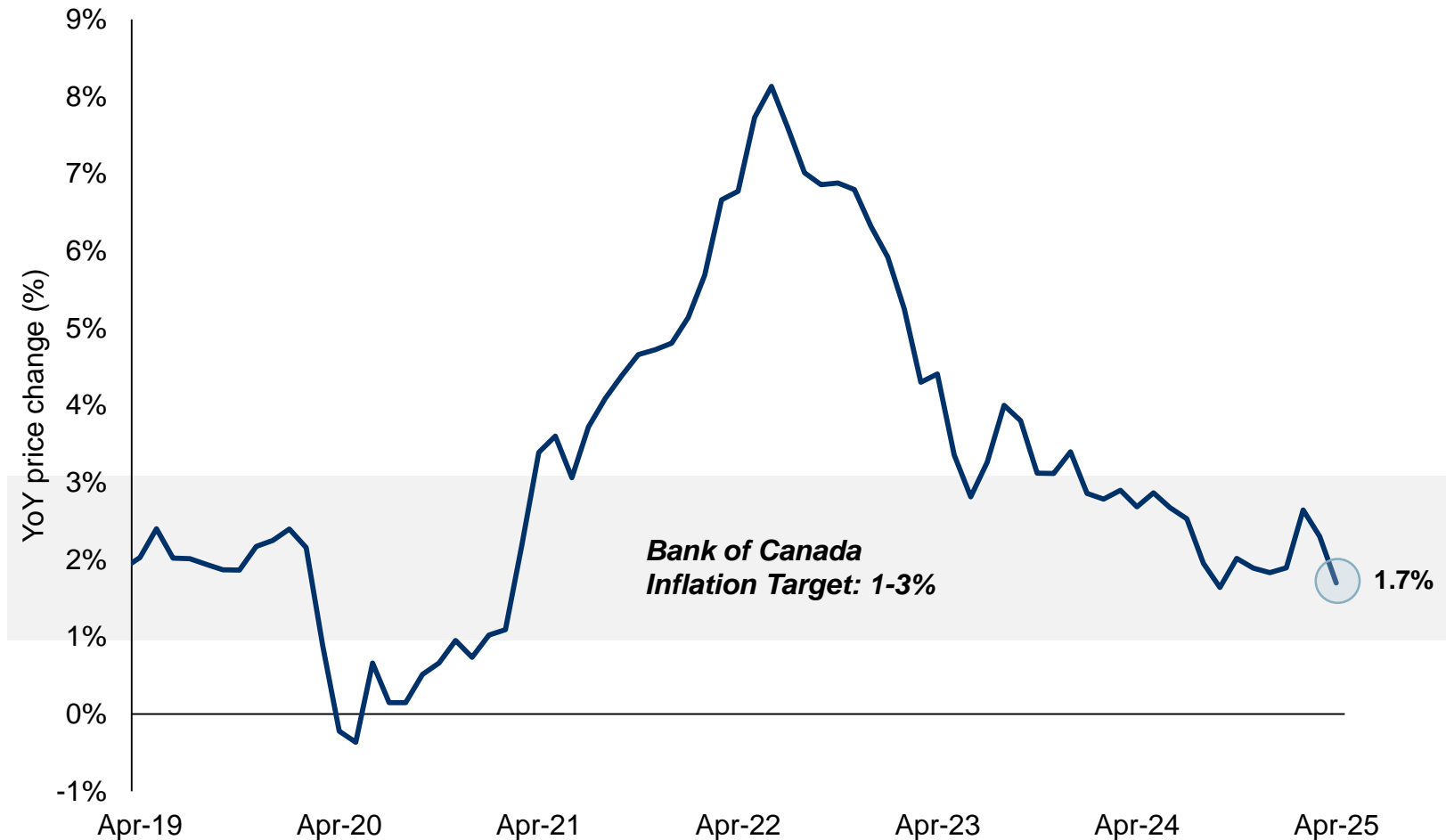
Source: RBC GAM as of April 29, 2025.



# Inflation has normalized

Path going forward highly variable given uncertain economic outlook

## Canadian headline inflation

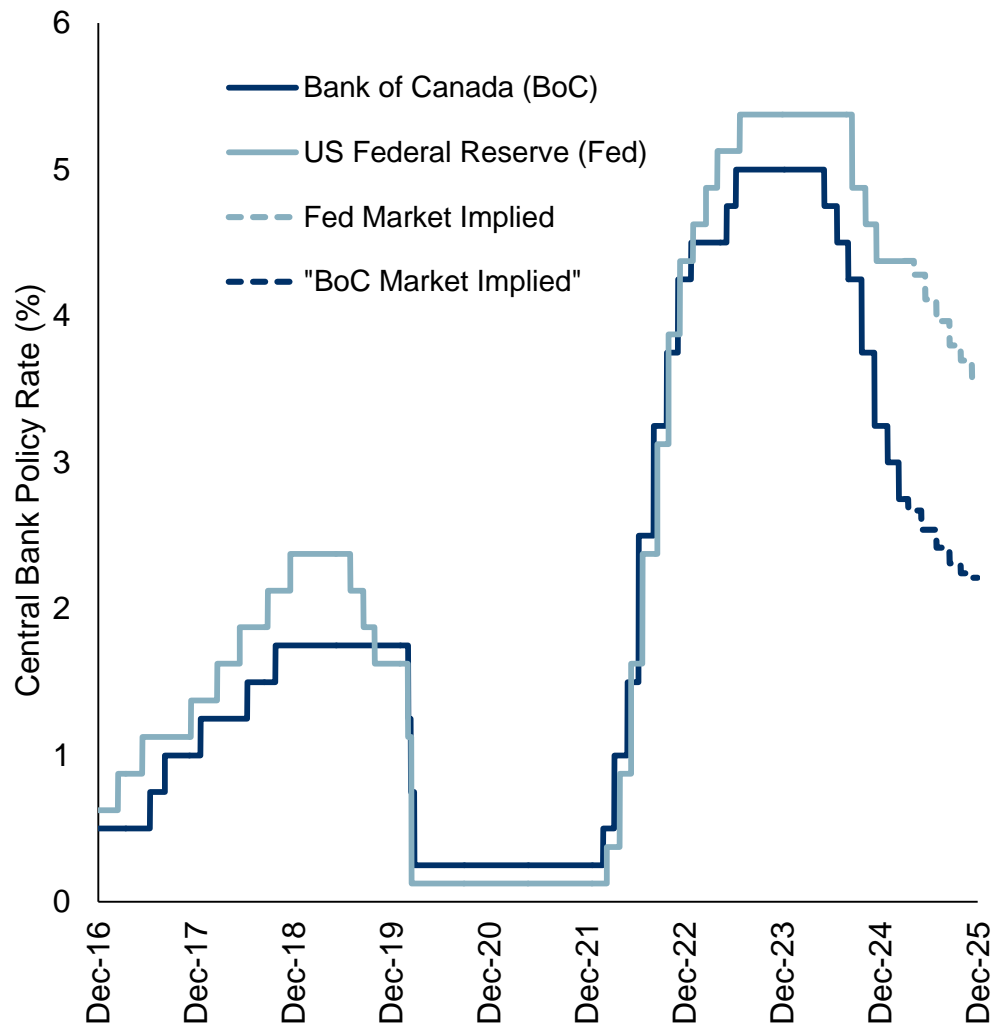


Source: RBC GAM, Statistics Canada. Note: As of 05/20/2025.

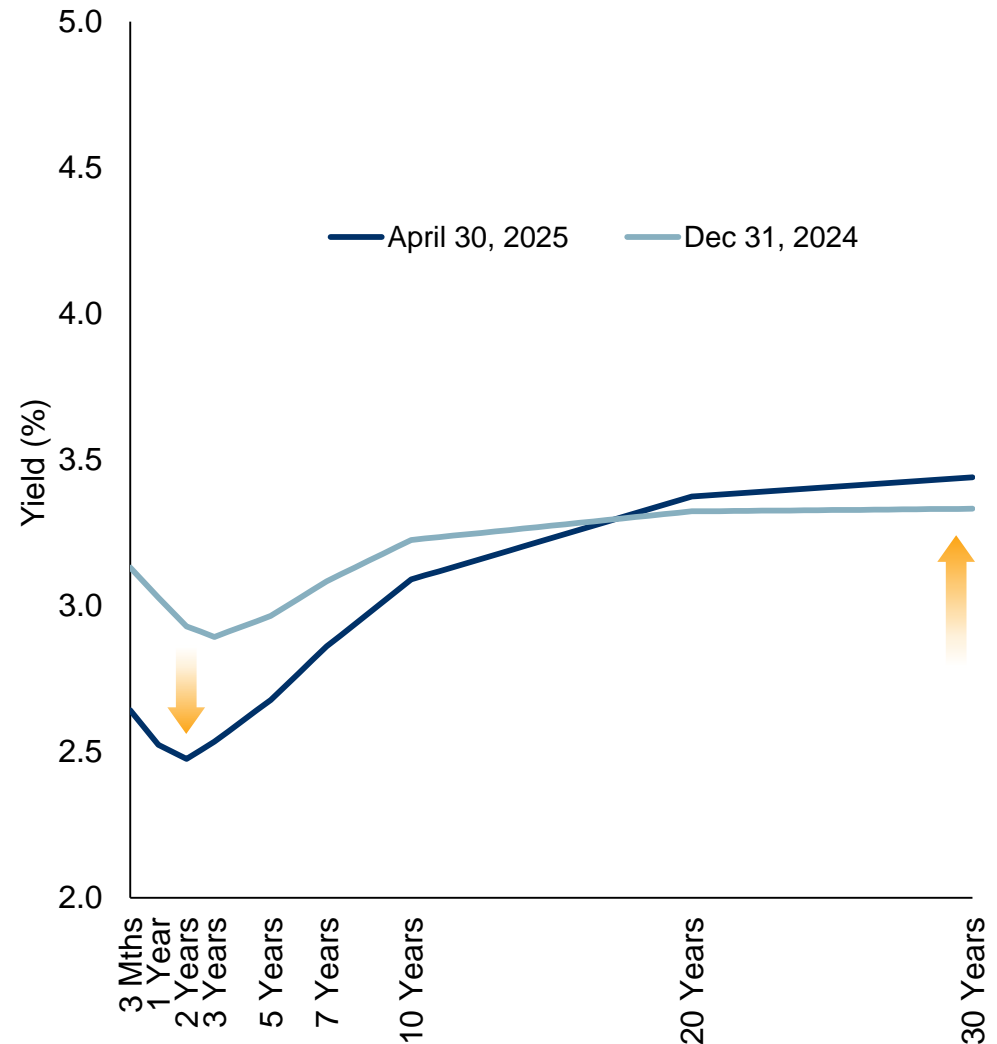
# Bank of Canada continued easing its policy rate

Bond market expects further rate cuts by the BoC

## Central bank policy rate & market expectations



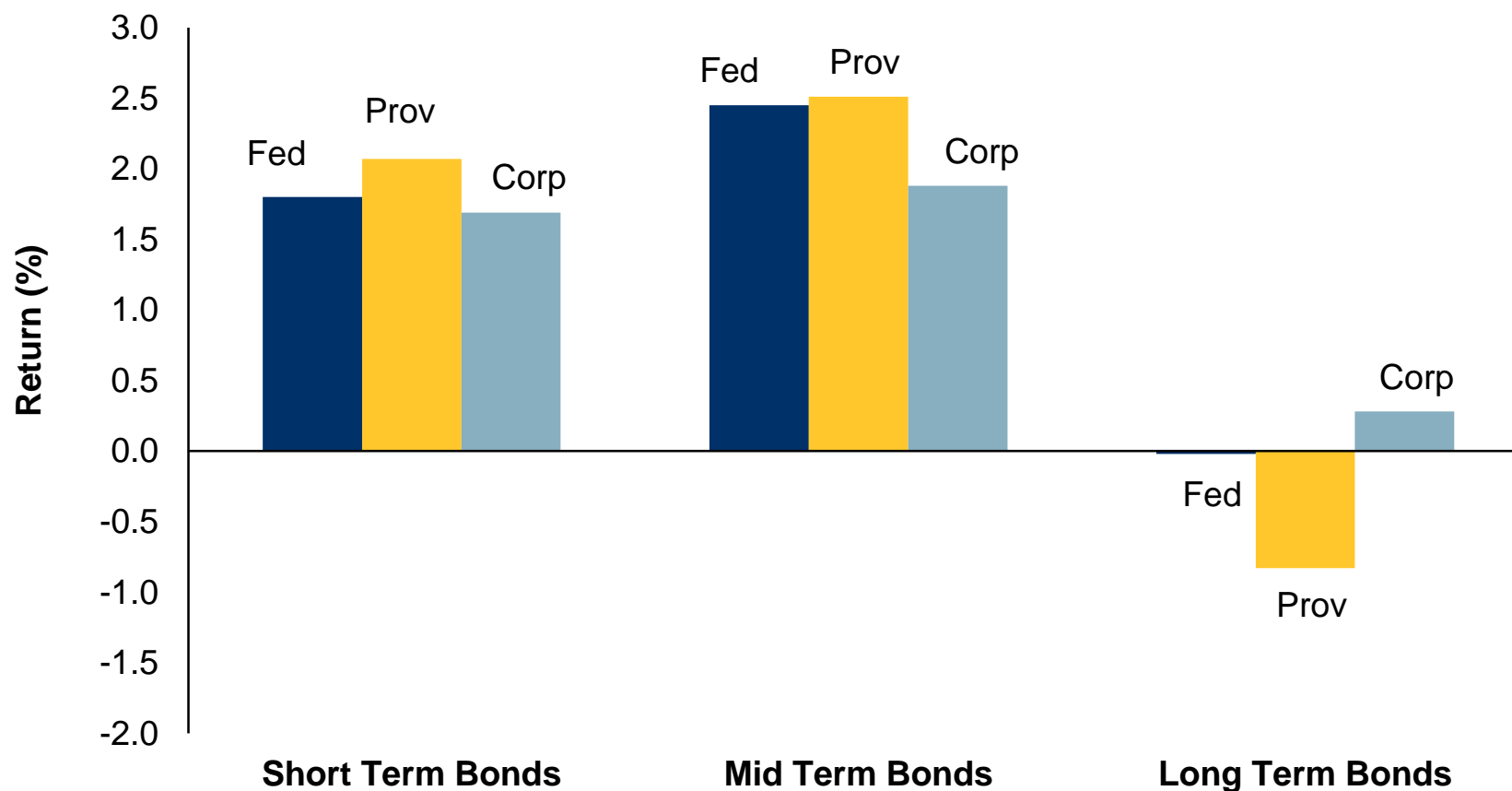
## Government of Canada yield curve



\*Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. PH&N Institutional accepts no liability for any failure to meet such forecast or target.  
Source: RBC GAM, Bloomberg. As of March 31, 2025

# Bond market returns

## Canadian bond returns – 2025 year-to-date to April 30



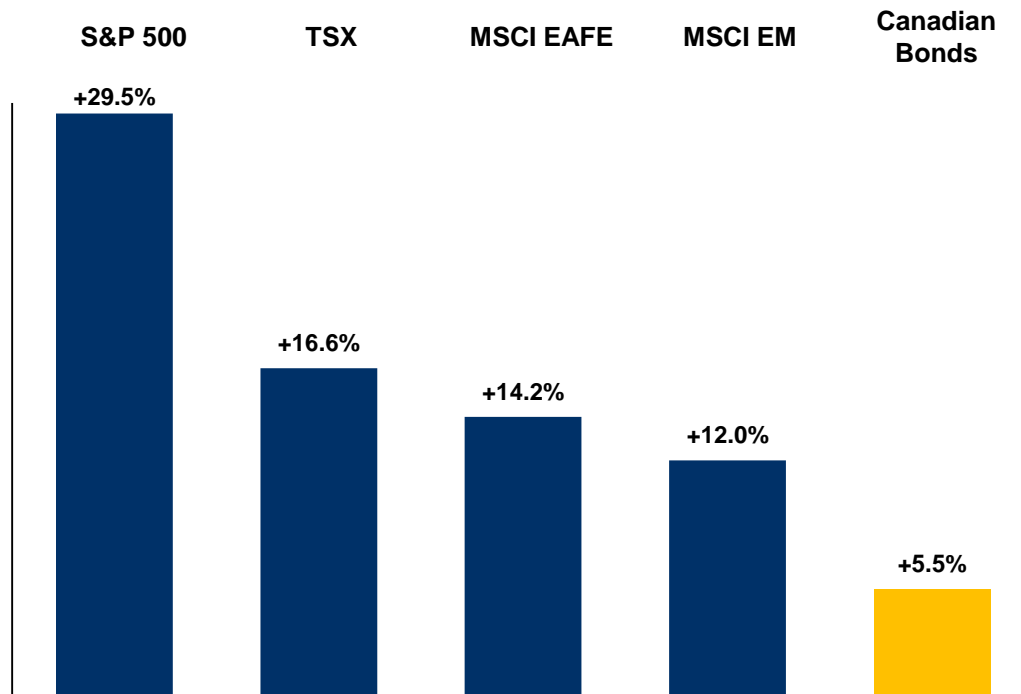
Source: FTSE Global Debt Capital Markets Inc.

\* Representative components of the FTSE Canada bond indices

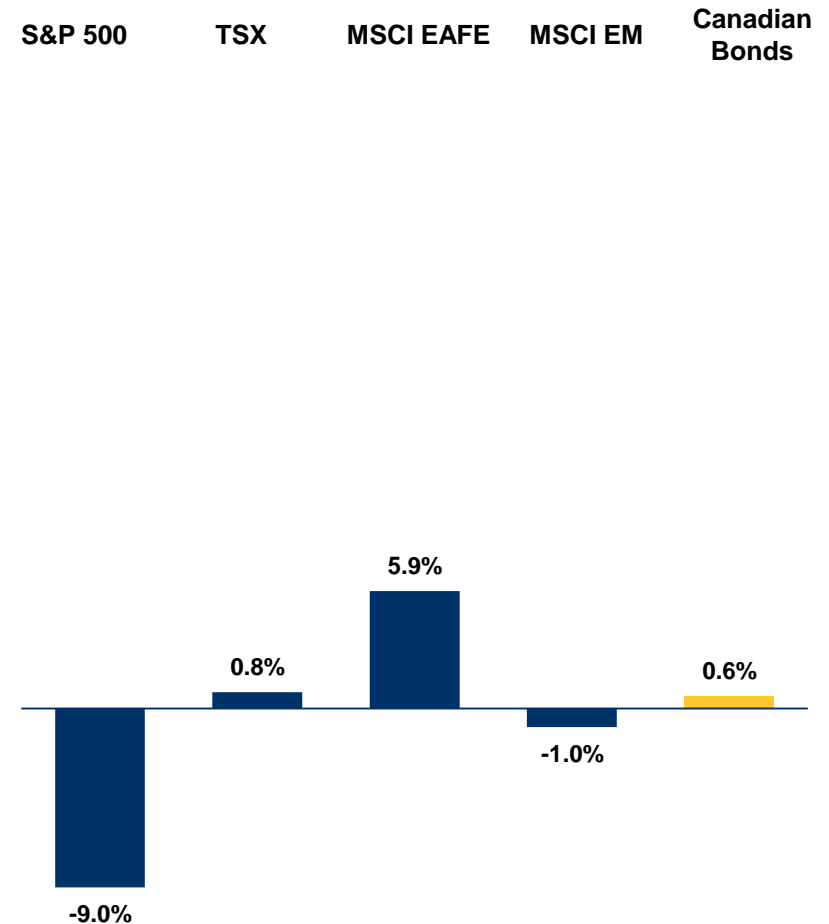
# Market Review: 2025 starting off choppy

Is a market rotation underway?

## 2023-2024



## So far in 2025<sup>2</sup>



<sup>1</sup> Annualized returns. January 1, 2023 to December 31, 2024

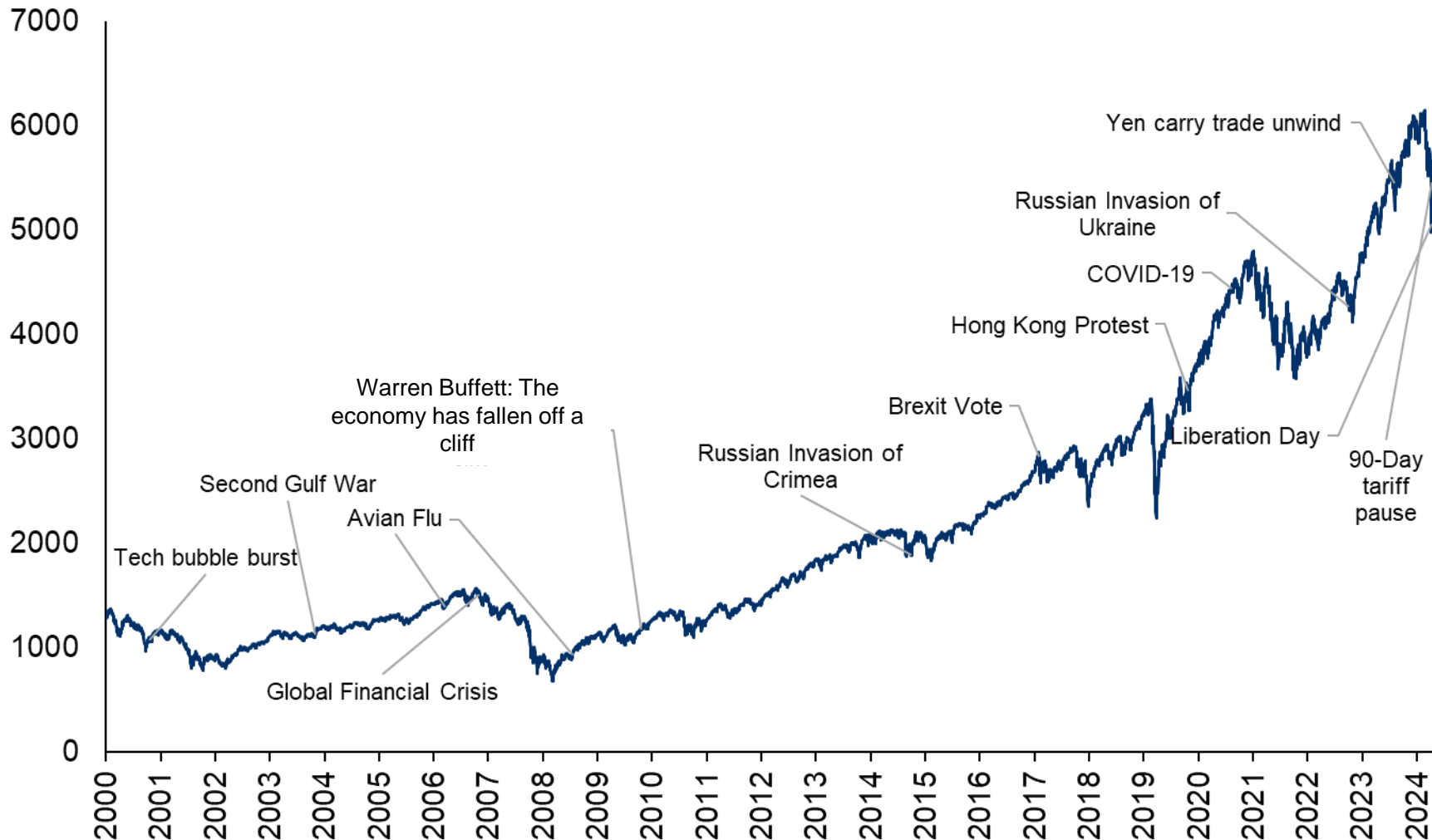
<sup>2</sup> YTD Returns. January 1, 2025 to April 25, 2025

Source: RBC GAM, Bloomberg. S&P 500 Index (CAD), S&P/TSX Composite Index, MSCI EAFE Index (CAD), MSCI Emerging Markets Index (CAD), FTSE Canada Universe Bond Index.

# Equity Market Review: the case for staying invested

Equity markets are always climbing some “wall of worry” – this time is no different

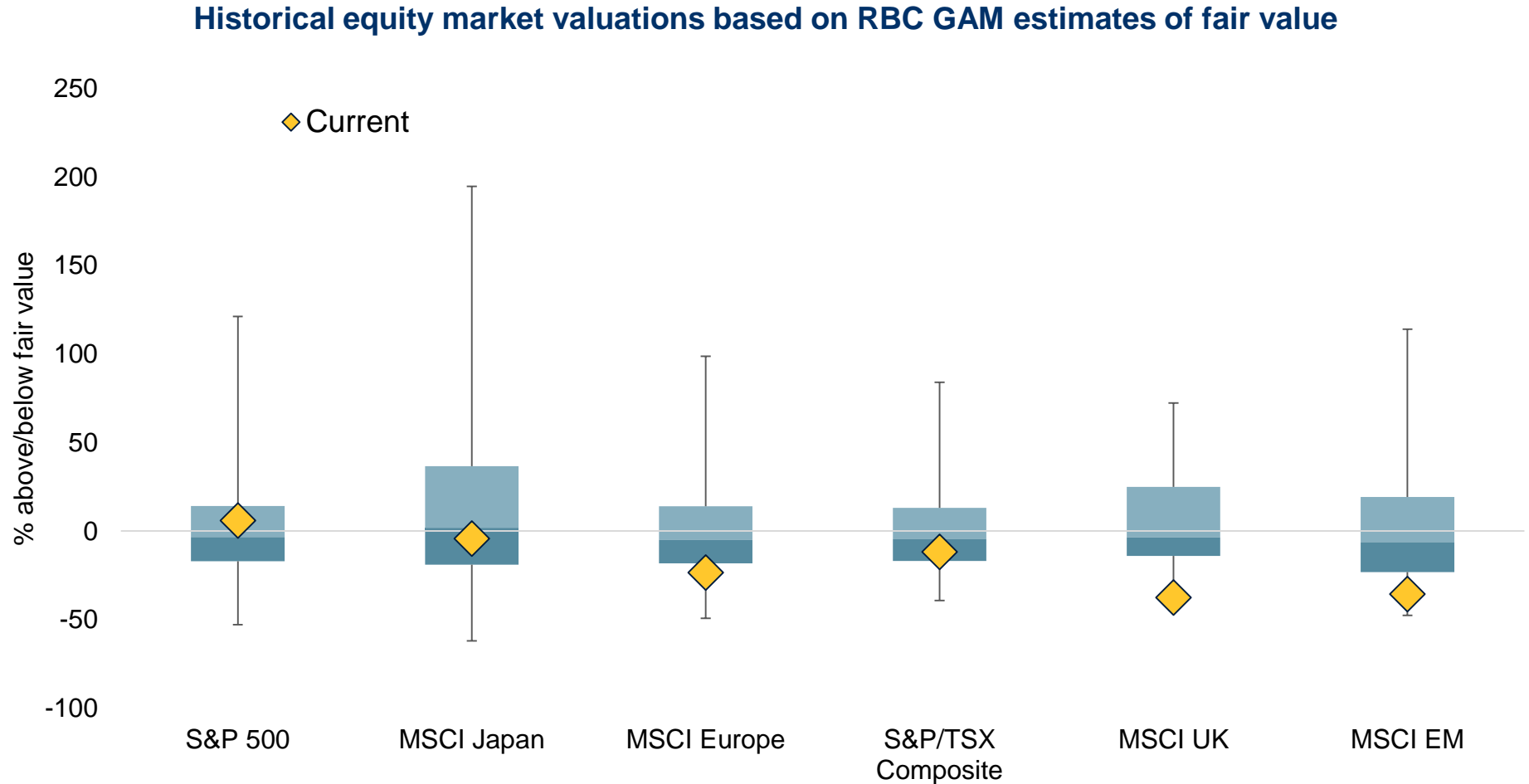
## S&P 500 Index Level (USD)



Source: Bloomberg, RBC GAM. As of April 28, 2025

# Equity Market Review: the case for equities

Major indices (excluding U.S.) are arguably inexpensive



Source: RBC GAM, Bloomberg. Box plots show maximum, 75th percentile, median, 25th percentile and minimum. Based on monthly data since Jan 1980. As of Apr 7, 2025.

# Fund Performance

# Fixed Income (March 31, 2025)

Fixed Income Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	10 Year	ONE AUM <sup>1</sup>
<b>PH&amp;N Short Term Bond &amp; Mortgage Fund</b>	<b>1.72</b>	<b>7.16</b>	<b>4.08</b>	<b>2.74</b>	<b>2.39</b>	<b>504,738,024.84</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	1.69	7.14	3.74	2.10	1.91	
<i>Value Add</i>	0.03	0.02	0.34	0.64	0.48	
<b>PH&amp;N Enhanced Total Return Bond Fund</b>	<b>2.03</b>	<b>8.06</b>	<b>2.97</b>	<b>1.81</b>	<b>2.44</b>	<b>252,472,387.70</b>
<i>FTSE Canada Universe Bond Index</i>	2.02	7.65	2.50	0.88	1.77	
<i>Value Add</i>	0.01	0.41	0.47	0.93	0.67	
<b>PH&amp;N Corporate Bond Trust</b>	<b>2.07</b>	<b>9.25</b>	<b>4.54</b>	<b>3.68</b>	<b>3.52</b>	<b>20,094,471.65</b>
<i>FTSE Canada All Corporate Bond Index</i>	1.81	8.84	4.38	3.19	2.86	
<i>Value Add</i>	0.26	0.41	0.16	0.49	0.66	
<b>PH&amp;N Private Placement Corporate Debt Fund</b>	<b>2.58</b>	<b>10.52</b>	<b>5.07</b>	<b>3.10</b>	-	<b>133,118,749.01</b>
<i>FTSE Canada All Corporate Bond Index</i>	1.81	8.59	2.80	1.06	-	
<i>Value Add</i>	0.77	1.93	2.27	2.04	-	
<b>RBC Commercial Mortgage Fund</b>	<b>2.04</b>	<b>7.89</b>	-	-	-	<b>55,092,678.94</b>
<i>FTSE Canada Short Term Overall Bond Index</i>	1.69	7.14	-	-	-	
<i>Value Add</i>	0.35	0.75	-	-	-	
<b>RBC High Yield Bond Fund</b>	<b>1.09</b>	<b>7.37</b>	<b>4.30</b>	<b>5.98</b>	<b>4.44</b>	<b>4,968,026.79</b>
<i>FTSE Canada Short Term Overall Bond Index<sup>2</sup></i>	1.69	7.14	2.33	0.78	1.72	
<i>Value Add</i>	-0.60	0.23	1.97	5.20	2.72	
<b>BlueBay Total Return Credit Fund (Canada)</b>	<b>1.44</b>	<b>8.09</b>	<b>4.00</b>	-	-	<b>274,982,497.59</b>
<i>FTSE Canada 91 Day T-Bill Index</i>	0.83	4.49	4.04	-	-	
<i>Value Add</i>	0.61	3.60	-0.04	-	-	
<b>RBC Global Bond Fund</b>	<b>0.76</b>	<b>2.86</b>	<b>-0.30</b>	<b>-0.73</b>	<b>1.64</b>	<b>181,421,818.82</b>
<i>FTSE World Government Bond Index (Hedged to CAD)</i>	0.52	2.40	-0.60	-1.40	1.02	
<i>Value Add</i>	0.24	0.46	0.30	0.67	0.62	
<b>PH&amp;N Canadian Money Market Fund</b>	<b>0.84</b>	<b>4.43</b>	<b>4.28</b>	<b>2.72</b>	<b>2.04</b>	<b>40,264,698.03</b>
<i>FTSE Canada 30 Day TBill Index</i>	0.75	4.21	3.96	2.42	1.70	
<i>Value Add</i>	0.09	0.22	0.32	0.30	0.34	

1. AUM as of March 31, 2025

2. Current benchmark as of March 1, 2024: 100% FTSE Canada Short-Term Overall Bond Index. Prior benchmark: 100% FTSE Canada Universe Bond Index.



# Equities (March 31, 2025)

Equity Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	10 Year	ONE AUM <sup>1</sup>
<b>PH&amp;N Canadian Equity Fund</b>	<b>1.42</b>	<b>14.56</b>	<b>7.89</b>	<b>17.30</b>	<b>8.81</b>	<b>67,930,146.69</b>
<i>S&amp;P/TSX Capped Composite Index</i>	1.51	15.81	7.77	16.76	8.54	
<i>Value Add</i>	-0.09	-1.25	0.12	0.54	0.27	
<b>PH&amp;N Canadian Equity Value Fund</b>	<b>1.80</b>	<b>15.81</b>	<b>8.79</b>	<b>17.90</b>	<b>9.52</b>	<b>68,468,449.77</b>
<i>S&amp;P/TSX Capped Composite Index</i>	1.51	15.81	7.77	16.76	8.54	
<i>Value Add</i>	0.29	0.00	1.02	1.14	0.98	
<b>RBC QUBE Canadian Equity Fund</b>	<b>1.08</b>	<b>17.34</b>	<b>9.21</b>	<b>17.60</b>	<b>8.47</b>	<b>68,281,323.57</b>
<i>S&amp;P/TSX Capped Composite Index</i>	1.51	15.81	7.77	16.76	8.54	
<i>Value Add</i>	-0.43	1.53	1.44	0.84	-0.07	
<b>PH&amp;N U.S. Equity Fund</b>	<b>-4.32</b>	<b>13.80</b>	<b>14.66</b>	<b>18.80</b>	<b>13.04</b>	<b>33,795,364.78</b>
<i>S&amp;P 500 Index C\$</i>	-4.17	15.00	14.30	19.12	13.95	
<i>Value Add</i>	-0.15	-1.20	0.36	-0.32	-0.91	
<b>RBC QUBE U.S. Equity Fund</b>	<b>-5.21</b>	<b>14.23</b>	<b>15.74</b>	<b>20.16</b>	<b>13.84</b>	<b>33,539,027.80</b>
<i>S&amp;P 500 Index C\$</i>	-4.17	15.00	14.30	19.12	13.95	
<i>Value Add</i>	-1.04	-0.77	1.44	1.04	-0.11	
<b>RBC International Equity Fund</b>	<b>3.98</b>	<b>8.15</b>	<b>10.54</b>	<b>12.48</b>	<b>7.87</b>	<b>38,984,899.11</b>
<i>MSCI EAFE Net Index</i>	6.94	11.55	11.18	12.02	6.75	
<i>Value Add</i>	-2.96	-3.40	-0.64	0.46	1.12	
<b>PH&amp;N Overseas Equity Fund</b>	<b>1.43</b>	<b>12.07</b>	<b>5.14</b>	<b>9.84</b>	<b>6.81</b>	<b>38,786,060.61</b>
<i>MSCI EAFE Net Index</i>	6.94	11.55	11.18	12.02	6.75	
<i>Value Add</i>	-5.51	0.52	-6.04	-2.18	0.06	
<b>RBC QUBE Global Equity Fund</b>	<b>-1.59</b>	<b>14.59</b>	<b>15.59</b>	<b>18.69</b>	<b>11.50</b>	<b>100,824,035.39</b>
<i>MSCI World Total Return Net Index (CAD)</i>	-1.72	13.84	12.79	16.39	10.91	
<i>Value Add</i>	0.13	0.75	2.80	2.30	0.59	
<b>RBC Global Equity Focus Fund (CAD)</b>	<b>-3.31</b>	<b>10.52</b>	<b>7.47</b>	<b>13.60</b>	<b>11.47</b>	<b>100,697,546.11</b>
<i>MSCI World Total Return Net Index (CAD)</i>	-1.72	13.84	12.79	16.39	10.91	
<i>Value Add</i>	-1.59	-3.32	-5.32	-2.79	0.56	

1. AUM as of March 31, 2025

2. Volatility is the annualized deviation of monthly returns. Note that the annualized deviation of monthly returns is not calculated for periods less than 12 months.

**RBC Global Asset Management**

PH&N Institutional



# Equities – Low Volatility (March 31, 2025)

Low Volatility Equity Solutions - Total Return (%)	3 Months	1 Year	3 Year	5 Year	10 Year	ONE AUM <sup>1</sup>
<b>RBC QUBE Low Volatility Canadian Equity Fund</b>	<b>5.35</b>	<b>18.09</b>	<b>9.13</b>	<b>16.07</b>	<b>9.41</b>	<b>111,915,729.67</b>
<i>S&amp;P/TSX Capped Composite Index</i>	<i>1.51</i>	<i>15.81</i>	<i>7.77</i>	<i>16.76</i>	<i>8.54</i>	
<i>Value Added</i>	<i>3.84</i>	<i>2.28</i>	<i>1.36</i>	<i>-0.69</i>	<i>0.87</i>	
<b>RBC QUBE Low Volatility U.S. Equity Fund</b>	<b>7.30</b>	<b>21.46</b>	<b>14.31</b>	<b>15.63</b>	<b>12.41</b>	<b>76,212,538.04</b>
<i>S&amp;P Composite 1500 Index C\$</i>	<i>-4.38</i>	<i>14.02</i>	<i>13.81</i>	<i>18.95</i>	<i>13.56</i>	
<i>Value Added</i>	<i>11.68</i>	<i>7.44</i>	<i>0.50</i>	<i>-3.32</i>	<i>-1.15</i>	

Low Volatility Equities - Volatility of Returns (%)*	1 Year	3 Year	5 Year	10 Year
<b>RBC QUBE Low Volatility Canadian Equity Fund</b>	<b>8.32</b>	<b>10.68</b>	<b>10.65</b>	<b>10.55</b>
<i>S&amp;P/TSX Capped Composite Index</i>	<i>10.30</i>	<i>13.70</i>	<i>13.22</i>	<i>12.80</i>
<b>RBC QUBE Low Volatility U.S. Equity Fund (CAD)</b>	<b>8.91</b>	<b>9.07</b>	<b>10.18</b>	<b>10.99</b>
<i>S&amp;P Composite 1500 Index (CAD)</i>	<i>11.78</i>	<i>13.72</i>	<i>13.46</i>	<i>13.04</i>

Low Volatility Equities - Sharpe Ratio*	1 Year	3 Year	5 Year	10 Year
<b>RBC QUBE Low Volatility Canadian Equity Fund</b>	<b>1.67</b>	<b>0.48</b>	<b>1.28</b>	<b>0.73</b>
<i>S&amp;P/TSX Capped Composite Index</i>	<i>1.13</i>	<i>0.29</i>	<i>1.09</i>	<i>0.53</i>
<b>RBC QUBE Low Volatility U.S. Equity Fund (CAD)</b>	<b>1.94</b>	<b>1.15</b>	<b>1.30</b>	<b>0.98</b>
<i>S&amp;P Composite 1500 Index (CAD)</i>	<i>0.83</i>	<i>0.72</i>	<i>1.23</i>	<i>0.91</i>

1. AUM as of March 31, 2025

2. Volatility is the annualized deviation of monthly returns. Note that the annualized deviation of monthly returns is not calculated for periods less than 12 months.

# Fund oversight update

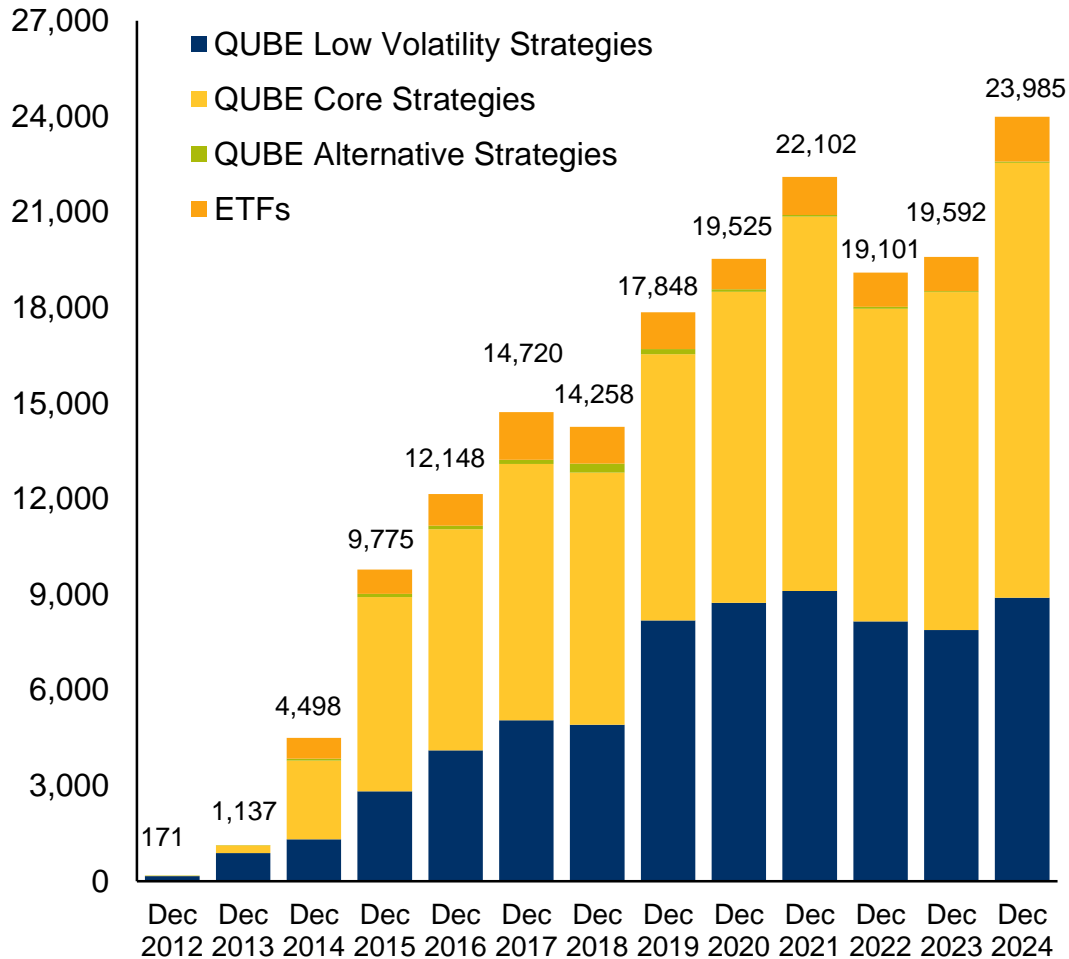
Strategy	Comments
RBC QUBE Low Volatility U.S. Equity Fund	<ul style="list-style-type: none"> <li>Strategies remain under review due to underperformance relative to benchmarks.</li> <li>Low vol approach is expected to underperform during strong up markets.</li> <li>Strategies showed strong resilience during volatile Q1, with both outperforming benchmarks.</li> </ul>
RBC QUBE Low Volatility Global Equity Fund	
PH&N Overseas Equity Fund	<ul style="list-style-type: none"> <li>Strategy under review due to underperformance relative to benchmark.</li> <li>Relative performance recovered in 2024 but slipped again in Q1 2025.</li> <li>CIO and risk teams continue to work with the investment team to enhance risk processes.</li> </ul>
RBC Global Equity Focus Fund	<ul style="list-style-type: none"> <li>Strategies under review due to underperformance relative to benchmark.</li> <li>Both are managed by the same team and adhere to the same process and philosophy.</li> <li>Relative performance recovered in 2024 but slipped again in Q1 2025.</li> </ul>
RBC Global Equity Leaders Fund	

# Strategy Overview – QUBE Low Volatility Funds

# RBC Quantitative Investments team

Comprehensive product suite and long track record

## Annual AUM in quantitative strategies (CAD millions)



- Systematic multi-factor investors
- Strategies include low volatility, core and market neutral
- Invests across multiple regions, including Canada, U.S., Global, Emerging Markets (EM)
- 10+ year track record

Source: RBC Global Asset Management (RBC GAM) as of December 31, 2024

# RBC Quantitative Investments team

Deep and experienced team with diverse experience

## Team head



**Jaco Van der Walt**

Managing Director, Global Head of  
Quantitative Research & Investments  
*27 years of experience*

## Portfolio management



**Oliver McMahon**

Senior Portfolio Manager

*30 years of experience*



**Norman So**

Senior Portfolio Manager

*20 years of experience*



**Brian Vuong**

Associate Portfolio Manager

*19 years of experience*

## Quantitative research



**Julian Douglass**

Head of Research

*25 years of experience*



**Mariam Belkoura**

Lead Quantitative  
Research Analyst

*11 years of experience*



**Connor Heggart**

Senior Quantitative  
Research Analyst

*8 years of experience*



**Bassirou Ndao**

Quantitative  
Research Analyst

*9 years of experience*



**Spencer Sillaste**

Quantitative  
Research Analyst

*2 years of experience*



**Peter Vincent**

Senior Quantitative  
Research Engineer

*24 years of experience*



Supported by a team of 7 dedicated quantitative systems developers<sup>1</sup>








Source: RBC GAM as of March 31, 2025. 1 Not pictured.

RBC Global Asset Management  
PH&N Institutional

# Our approach to low volatility equity strategies

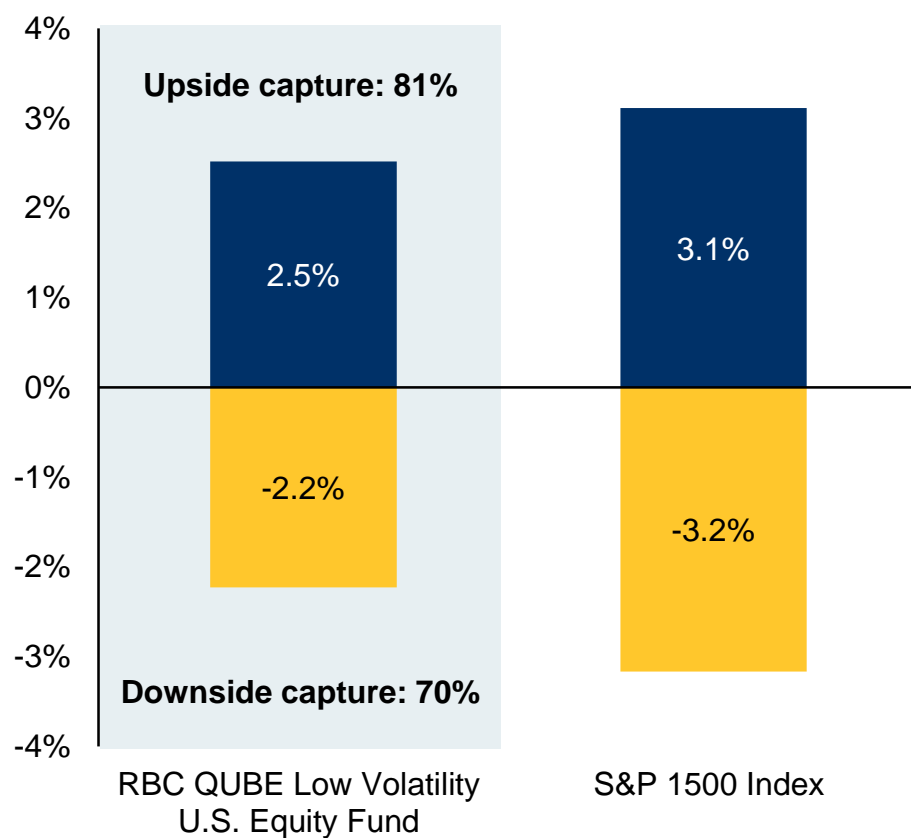
## Summary:

- More volatile stocks are not necessarily compensated with higher returns
- Reducing equity volatility and protecting on the downside has significant benefits to an overall portfolio

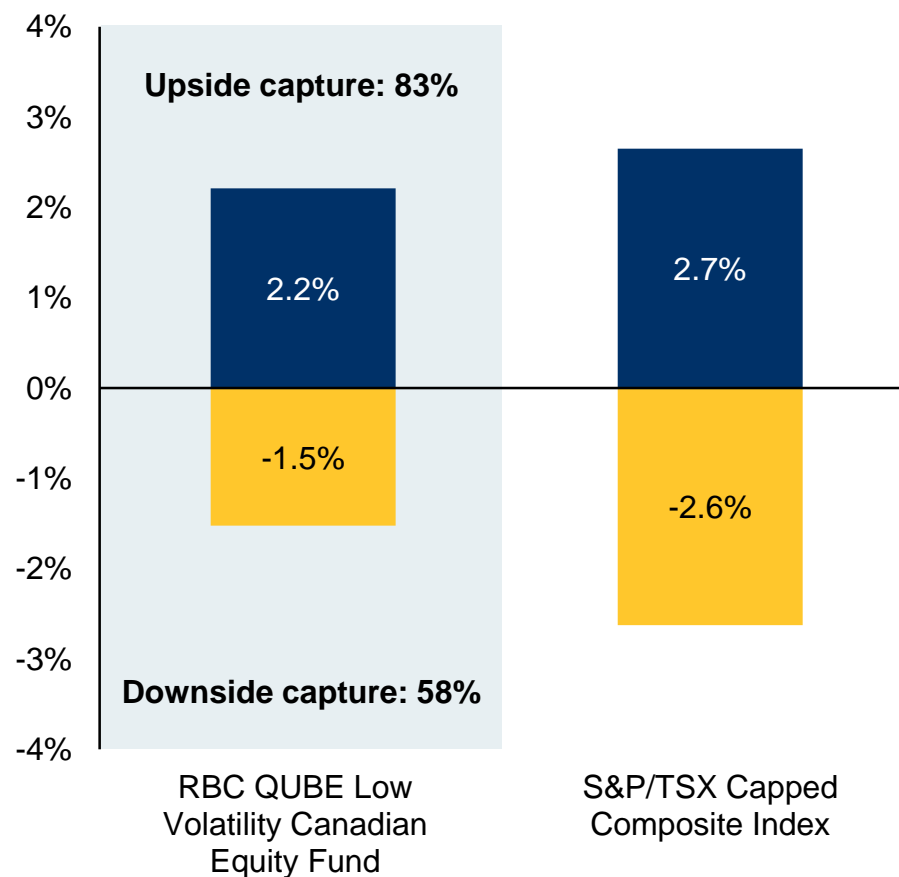
	RBC QUBE Low Volatility Equity Strategies	
Investment objective		Superior <b>risk-adjusted returns</b> and <b>lower volatility</b>
Definition of risk		Emphasis on reducing absolute volatility rather than tracking an index
Return characteristics		Equity-like returns with lower overall risk
Portfolio construction		Thoughtful constraints with a tilt towards alpha factors for additional value-add
Approach		Combine quantitative tools with human oversight and ongoing innovation

# Long-term capture ratios confirm good downside protection

## U.S. equity



## Canadian equity



■ Average return during a month when the index return is positive

■ Average return during a month when the index return is negative

The upside (downside) capture measures the average return for the fund vs. the benchmark for those monthly periods when the benchmark return is positive (negative).

Source: RBC GAM. All returns are in CAD

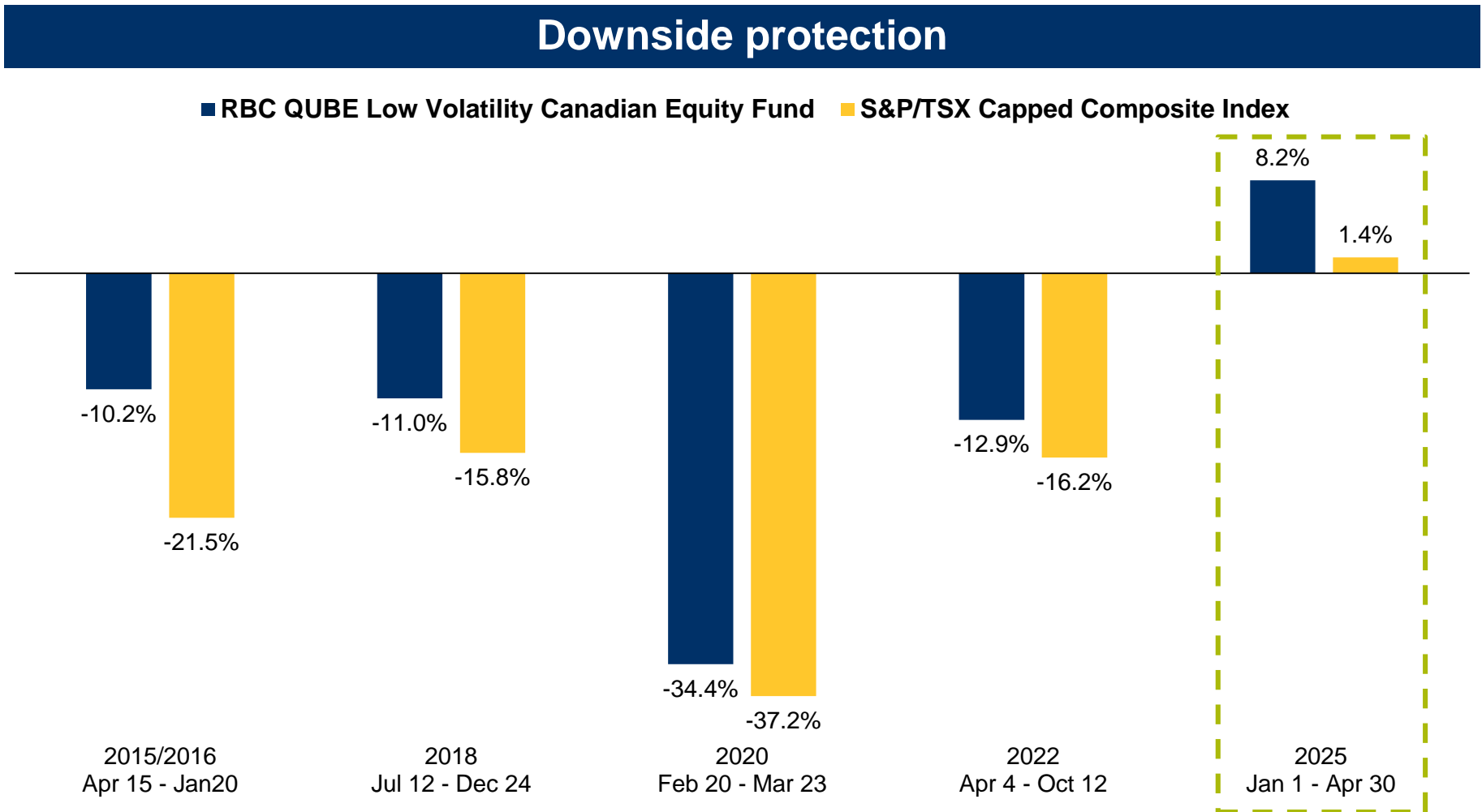
U.S. equities are for the period December 31, 2012 to March 31, 2025

Canadian equities are for the period November 30, 2012 to March 31, 2025



# History of downside protection

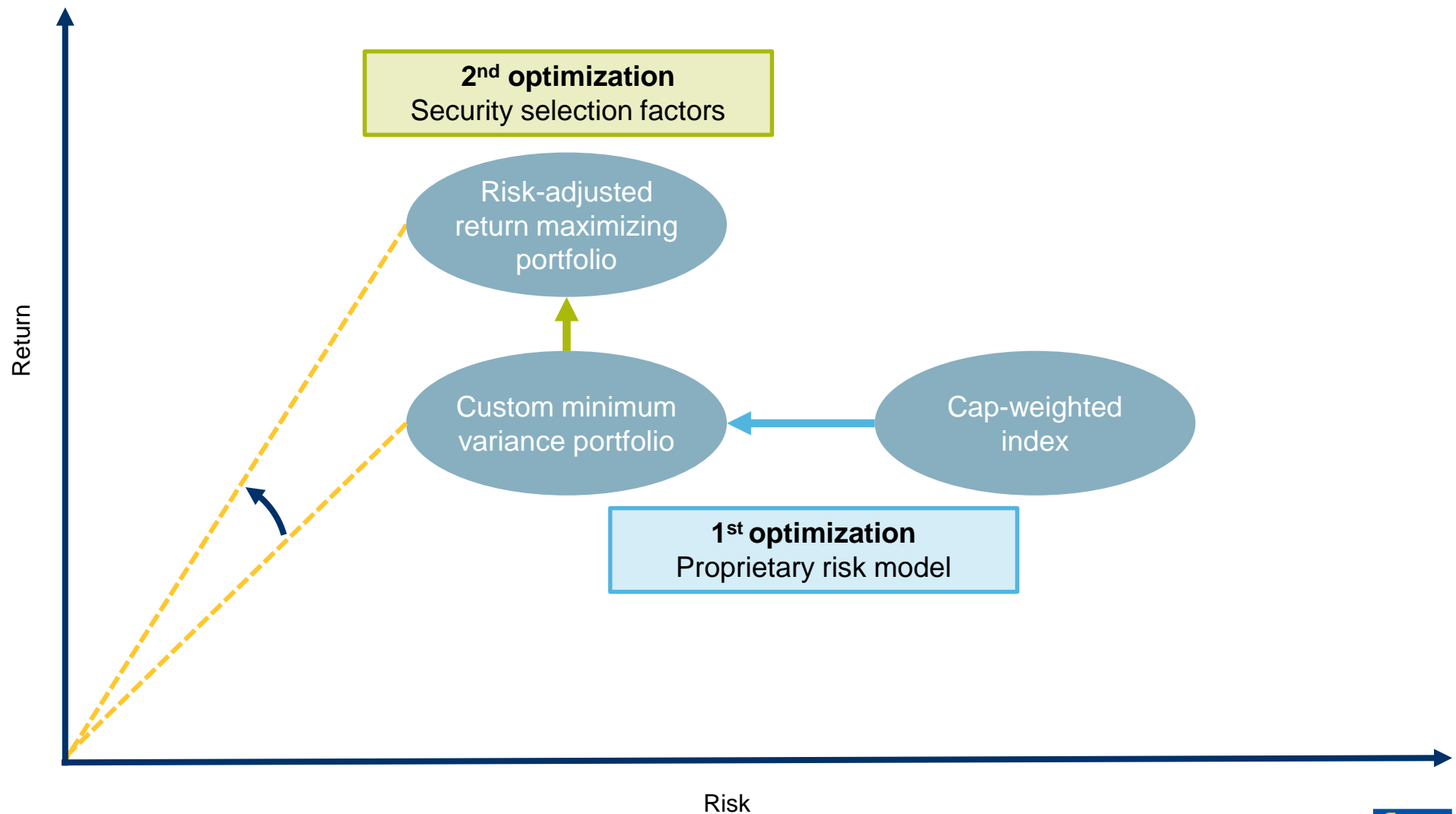
A compelling strategy for the current environment



Source: RBC GAM, S&P. As of April 30. Series O returns, gross of management fees in Canadian dollars. Periods less than one year not annualized. Represents the four largest drawdowns for the S&P/TSX Capped Composite Index since 2013 as well as recent notable events. Returns are calculated using daily data.

# Low volatility investment process

Two-step optimization to minimize risk and maximize risk-adjusted returns



Source: RBC GAM

This chart is for illustrative purposes only and is not intended to be representative of the performance of any actual or future investment.

# Alpha factors used in Step 2 optimization

## Security selection alpha factors drive portfolio positioning

### Profitability

assesses a company's ability to sustainably grow earnings (*CFROI*<sup>®</sup>, *Forward ROE*, *ROA*)

### Sentiment

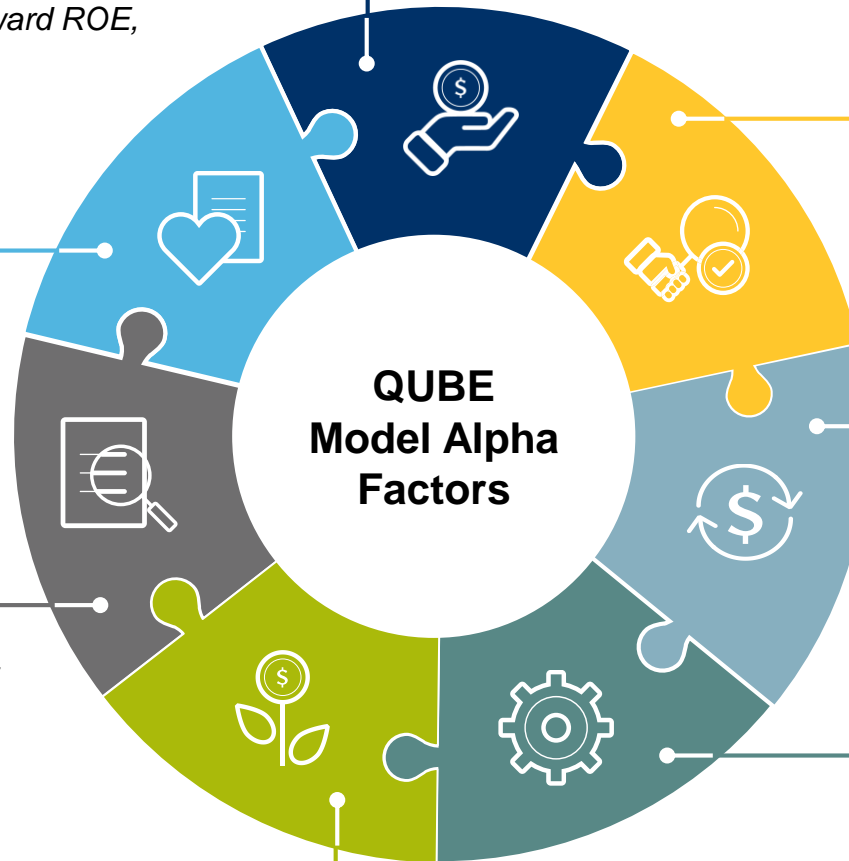
identifies overbought or oversold companies (*Williams %R*, *Coppock Curve*)

### Analyst

identifies early signals of change as they arise (*Analyst Recommendations*, *Earnings Revision*)

### Growth

examines a firm's growth prospects, particularly in its earlier stages (*FCF Growth*, *Normalized ROE Growth*)



### Quality

provides quantitative insight into management behavior and balance sheet strength (*Debt Financing*, *Goodwill Growth*)

### Value

can identify irrational investor behavior and mispriced investment opportunities (*Forward P/E*, *P/CF*)

### Technical

identifies market movements before fundamental changes are apparent (*Crowding*, *Short Interest*, *Momentum Acceleration*)

Source: RBC GAM. The RBC QUBE V3 models typically include 30-40 security selection alpha factors (grouped into the 7 factor composites shown on this slide). *CFROI*<sup>®</sup> is a trademark of Credit Suisse Group AG or its affiliates. Provided for illustrative purposes and does not show actual factor weights in the 3D alpha model.

# Quantitative research update

Ongoing, continuous improvement is essential to our process



Alpha research



Portfolio engineering



Virtual lab



Machine learning

- **Alpha factors recently added:**

- Crowding
- Patents
- Short Interest

- **Current projects:**

- Analyst forecasts
- Review of country and sector models

- **Deep dive insights:**

- Exploring interaction between market concentration, long-only, and low volatility performance

- **Enhancing model attribution dashboard:**

- Waterfall analysis
- Model attribution

- **Exploring ways to incorporate machine learning into the investment and research process**

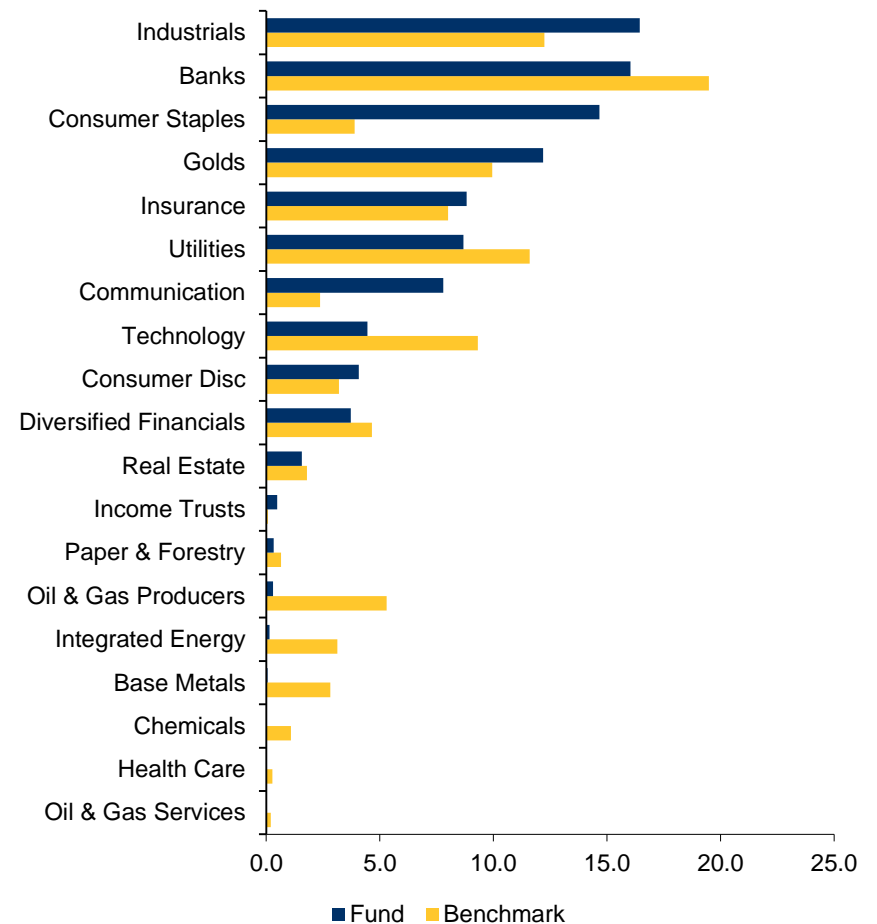
Source: RBC GAM, RBC Quantitative Investments. As of March 31, 2025.

# Portfolio characteristics

## RBC QUBE Low Volatility Canadian Equity Fund

Issuer	Sector	Fund %
Royal Bank of Canada	Banks	4.8
Canadian Imperial Bank of Commerce	Banks	4.6
Bank of Nova Scotia	Banks	4.2
Metro	Consumer Staples	4.2
Agnico Eagle Mines	Golds	3.8
Dollarama	Consumer Disc	3.8
Canadian National Railway	Industrials	3.8
Thomson Reuters	Industrials	3.8
Loblaw Cos	Consumer Staples	3.6
TMX	Diversified Financials	3.5
Fund		Benchmark
Holdings (ex Cash)	75	218
Dividend Yield	2.9%	2.9%

### Sector allocation (%)



As at 3.31.2025

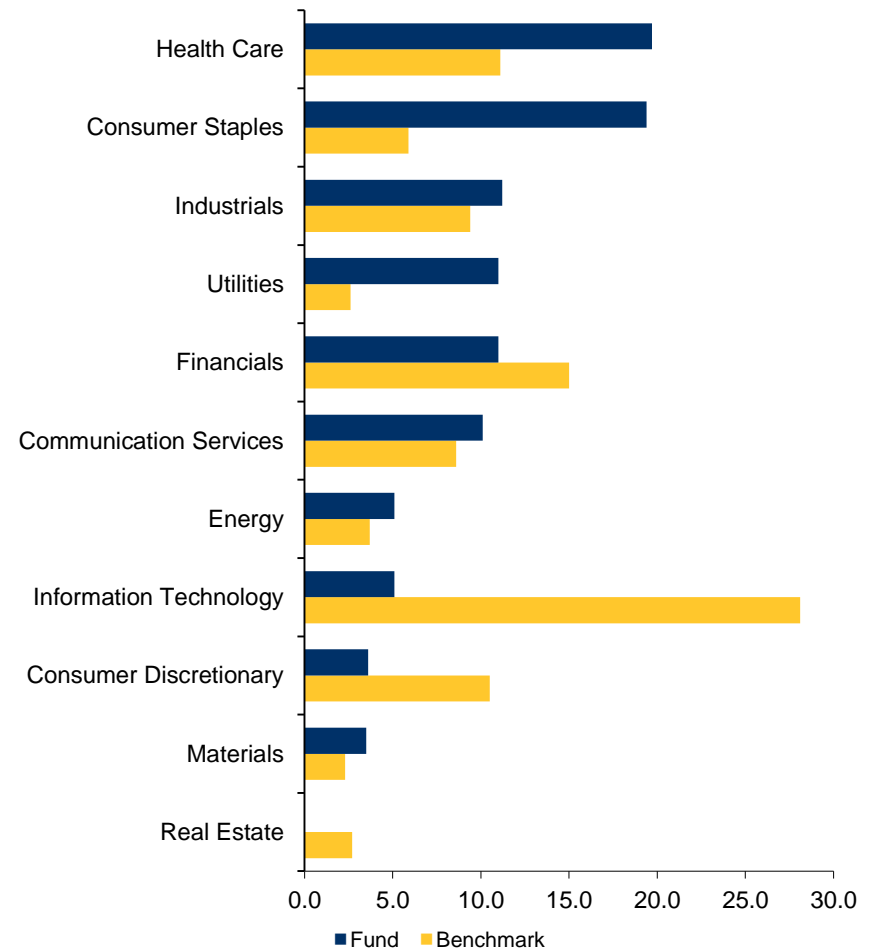
Source: RBC Global Asset Management, S&P Dow Jones Indices. Fund data for Series O. The yield shown is calculated based on the average dividend yield of the securities held by the fund. The S&P/TSX Capped Composite Index is the benchmark for the fund.

# Portfolio characteristics

## RBC QUBE Low Volatility U.S. Equity Fund

Issuer	Sector	Fund %
Southern	Utilities	3.0
Duke Energy	Utilities	3.0
Automatic Data Processing	Industrials	3.0
Kimberly-Clark	Consumer Staples	2.9
Colgate-Palmolive	Consumer Staples	2.9
Mastercard	Diversified Financials	2.9
Johnson & Johnson	Health Care	2.9
Verizon Communications	Communication	2.9
Procter & Gamble	Consumer Staples	2.8
Gilead Sciences	Health Care	2.8
Fund		Benchmark
Holdings (ex Cash)	109	1,500
Dividend Yield	2.3%	1.4%

### Sector allocation (%)



As at 3.31.2025

Source: RBC Global Asset Management. Fund data for Series O. The yield shown is calculated based on the average dividend yield of the securities held by the fund. The S&P Composite 1500 Index (CAD) is the benchmark for the fund.

## Strategy Overview –

PH&N Short Term Bond & Mortgage Fund

PH&N Enhanced Total Return Bond Fund

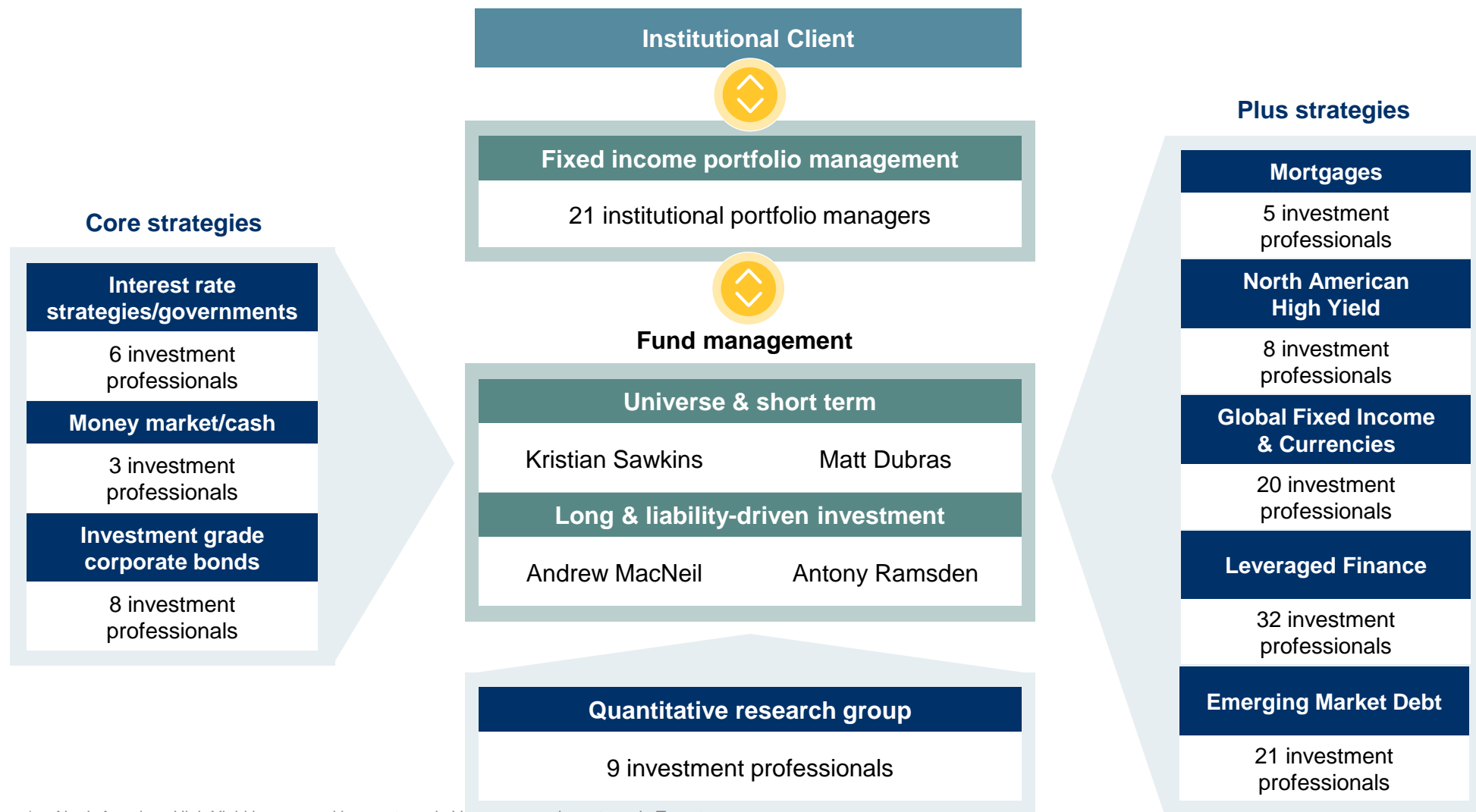
PH&N Bond Fund

# Investment Team & Philosophy



# PH&N Fixed Income Team

## Team structure with accountability



\* North American High Yield is managed by one team in Vancouver and one team in Toronto.

\*\* Global Fixed Income & Currencies is managed by RBC Global Asset Management Inc., RBC Global Asset Management (U.S.) Inc., and RBC Global Asset Management (UK) Limited

\*\*\* Leveraged Finance is managed by RBC Global Asset Management (UK) Limited.

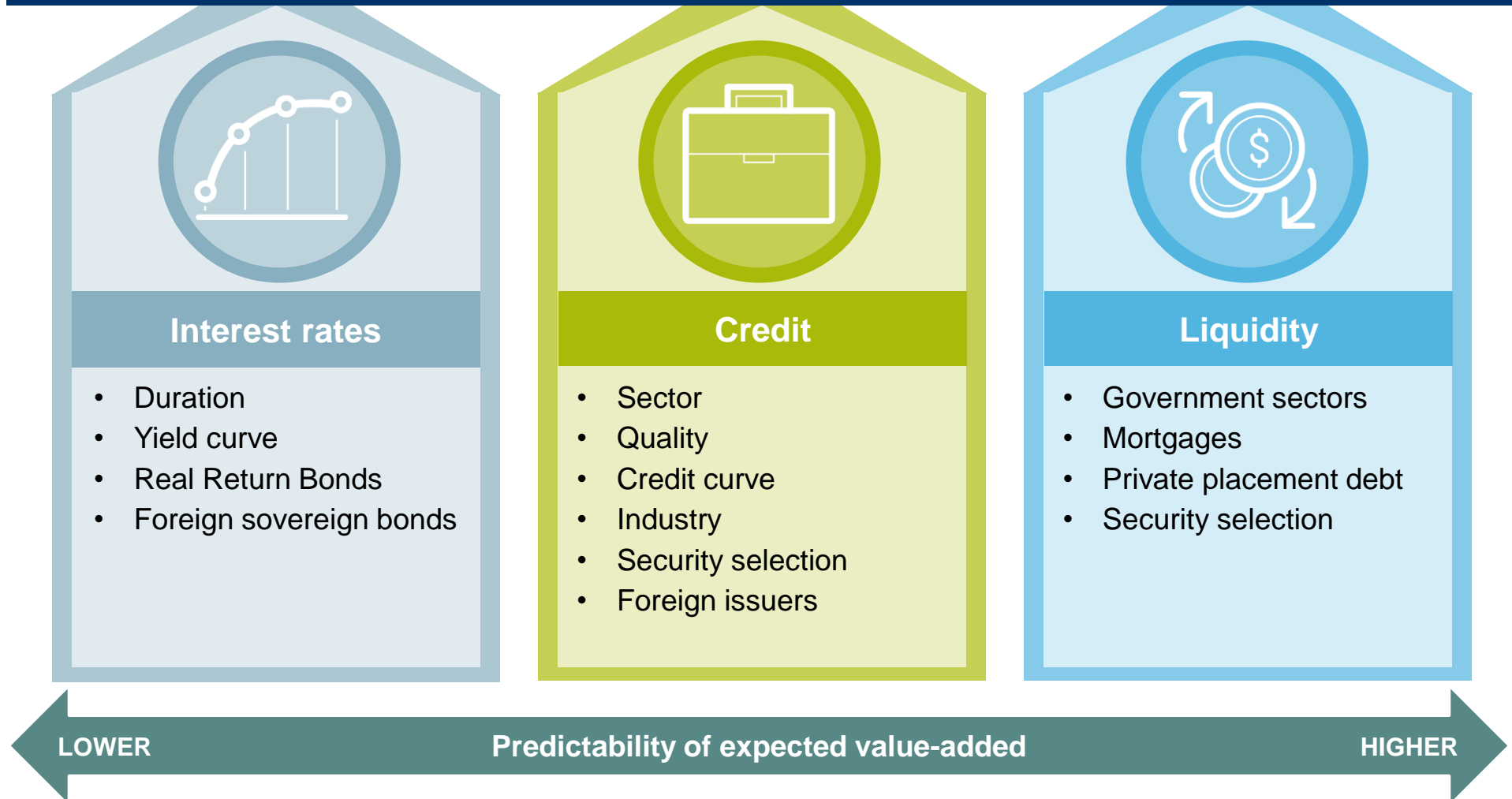
\*\*\*\* Emerging Market Debt is managed by one team in London at RBC Global Asset Management (UK) Limited.

Data as of December 31, 2024.

# PH&N Institutional's fixed income investment philosophy

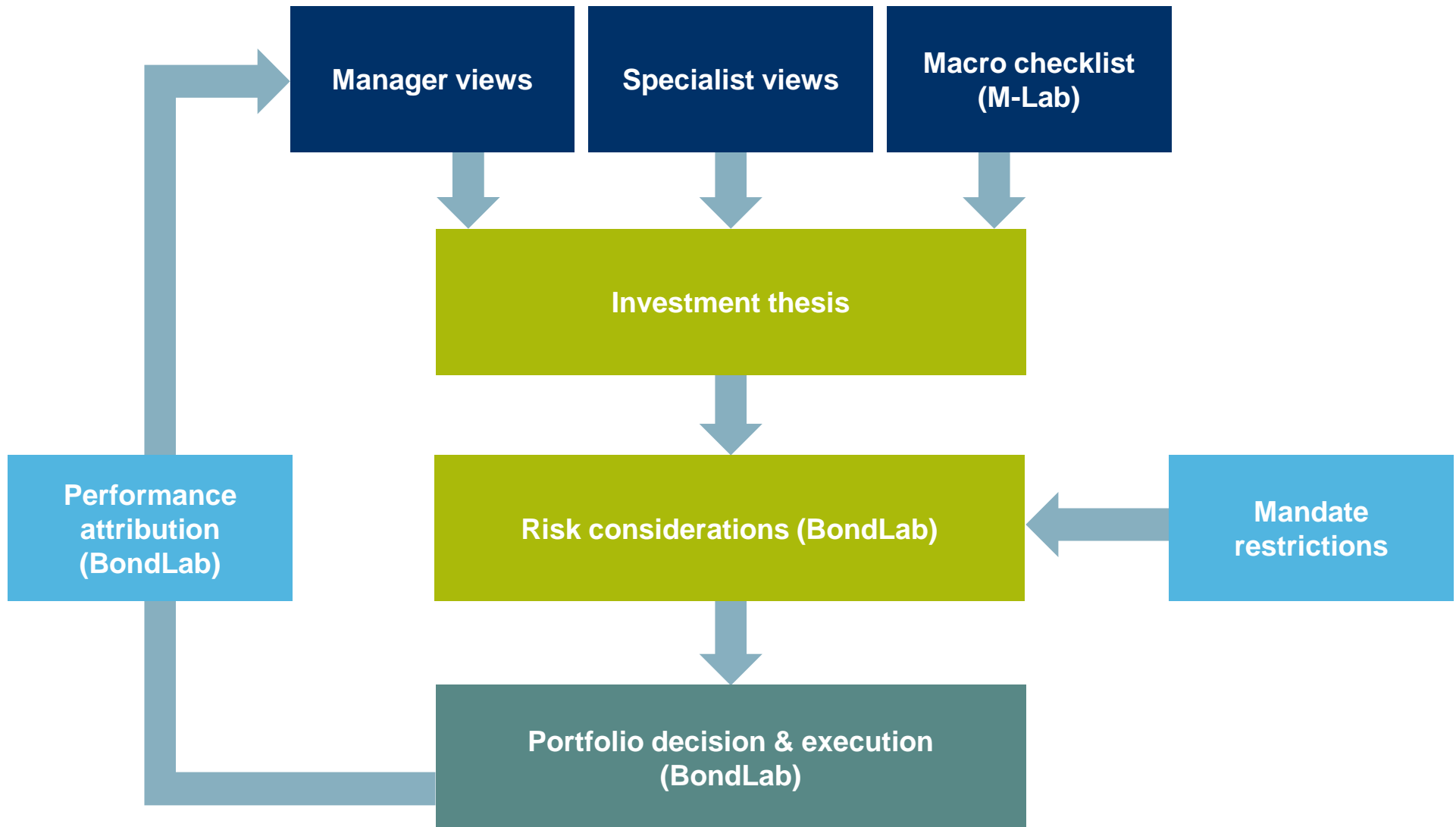
## Multiple sources of risk/opportunity

### Diversified portfolio with attractive reward-for-risk characteristics



# Portfolio construction and risk management

A continuous process



# Proprietary investment and risk management systems

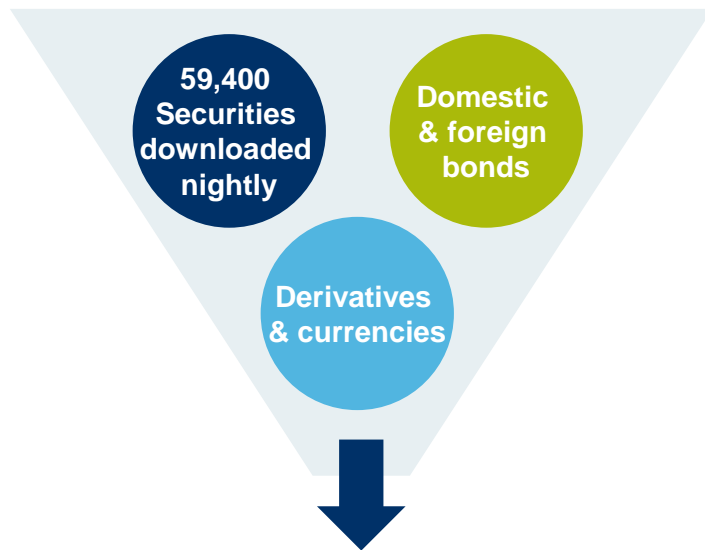
## Critical aspect to managing an active multi-strategy approach

### BondLab:

Proprietary fixed income risk system since 1998

- Analyzes individual strategies & interactions
- Detailed portfolio risk analytics
- Scenario analysis including “*what if...*”
- Compliance monitoring

Risk analyzed on **absolute basis** or against **any benchmark**



Portfolio tracking error  
Scenario analysis  
Compliance  
Reporting

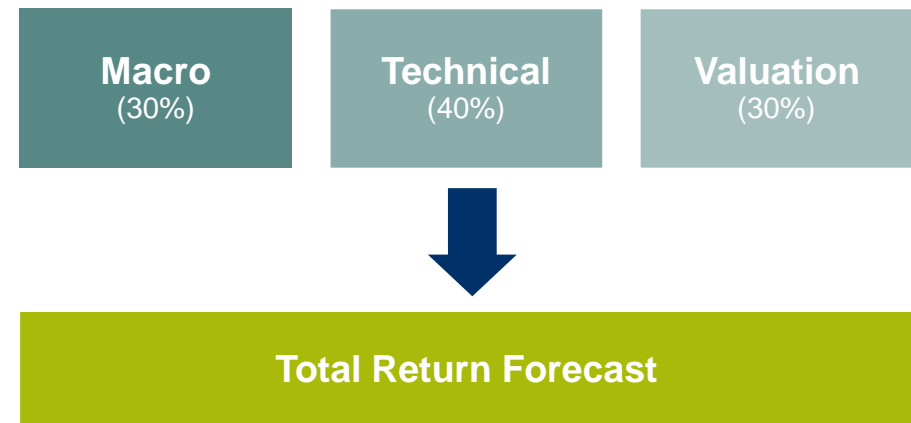
### M-Lab:

Wide variety of financial models

- Valuation, custom indicators, return forecasting, etc
- Objectively test intuition on market drivers
- Transparent format (i.e. not a black box)

Decision **support** tools, not decision **making** tools

### Forecast aggregation across categories



RBC Global Asset Management  
PH&N Institutional

# PH&N Short Term Bond & Mortgage Fund



# Spectrum of fixed income investment capabilities

## Active management in short bonds

		PH&N Short Term Bond & Mortgage Fund	PH&N Short Core Plus Bond Fund
Core strategies	Government	✓	✓
	Investment grade corporates	✓	✓
“Plus” strategies	Conventional mortgages*	✓	✓
	North American high yield	✗	✓
	Global high yield	✗	✓
	Emerging market debt	✗	✓
Value-added target		35 bps	70 bps
Benchmark		FTSE Canada Short Term Bond Index	
AUM (3/31/25)		\$9,457.8 million	\$2,406.7 million
Inception date		Oct 2002	Aug 2020

\*Mortgages in the PH&N Short Term Bond & Mortgage Fund are restricted to first mortgages secured by multi-family properties. Mortgages in the “Plus” strategy used in the PH&N Short Core Plus Bond Fund are first mortgages on income producing properties in Canada.

# PH&N Short Term Bond & Mortgage Fund

## Portfolio Characteristics – March 31, 2025

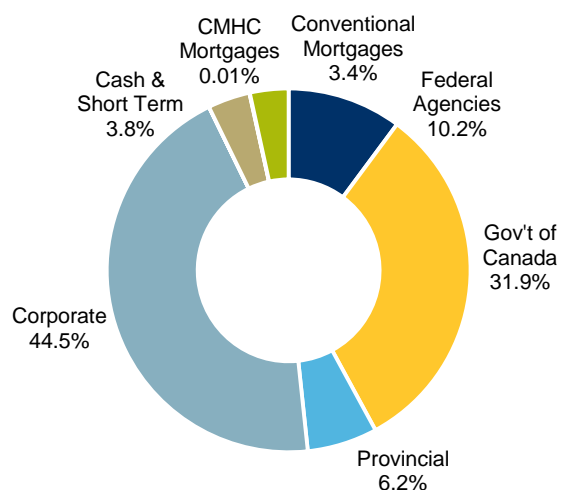
### Portfolio characteristics

Market value:	\$9,457.8 million
Modified duration:	2.65 yr
Average maturity:	2.93 yr
Yield:	3.04%

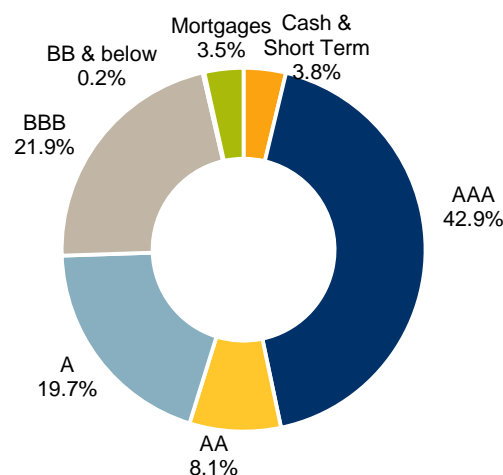
### Portfolio constraints

- Average term to maturity 2 to 4 years
- Mortgages may comprise a maximum 40% of net assets
- Maximum 1% per any one conventional mortgage or 2% per CMHC mortgage
- Maximum 35% invested in BBB-rated securities (rated at time of purchase)
- Foreign securities permitted

### Sector distribution



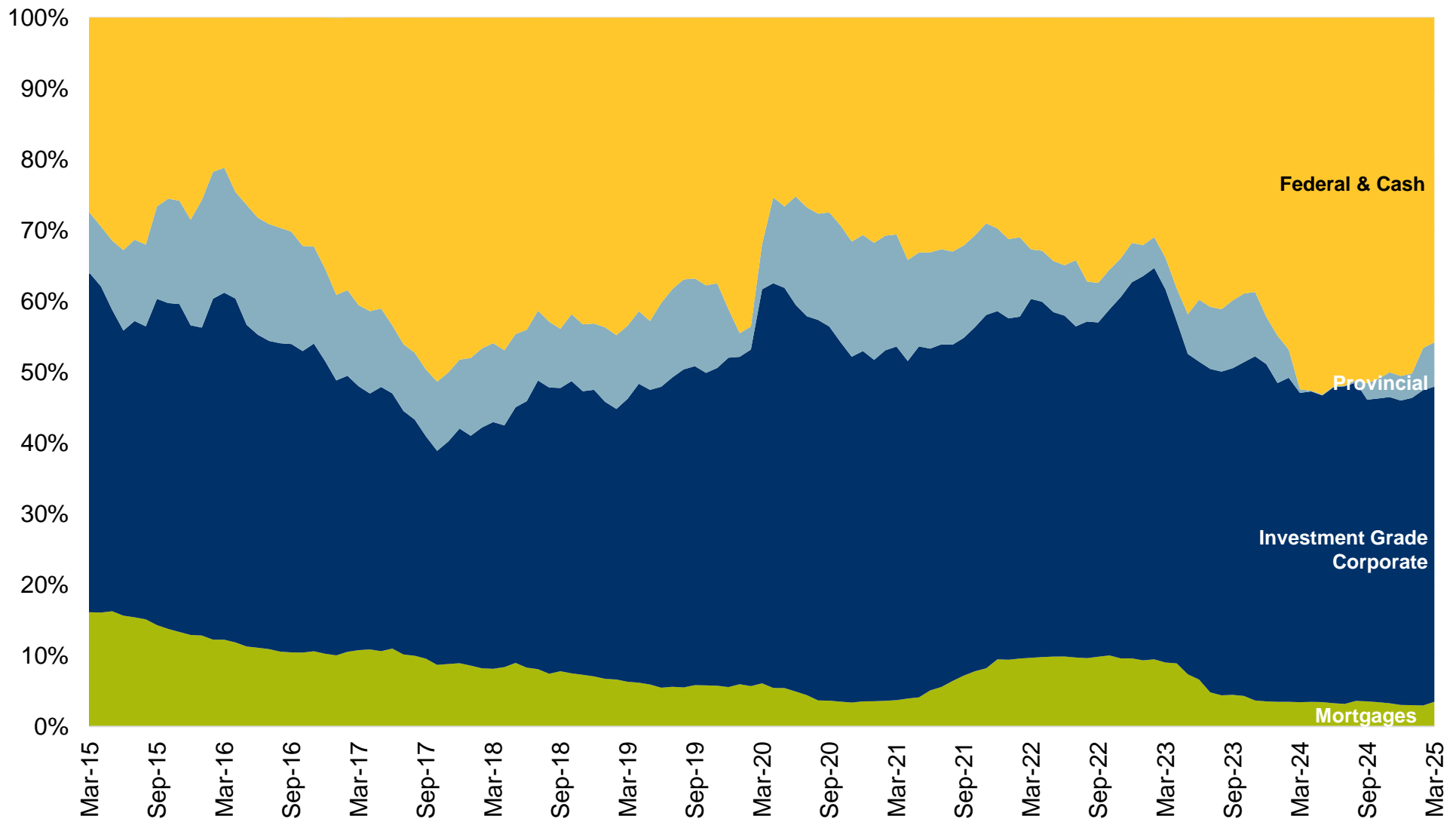
### Rating distribution



Source: RBC GAM

# PH&N Short Term Bond & Mortgage Fund

## Tactical management of asset mix



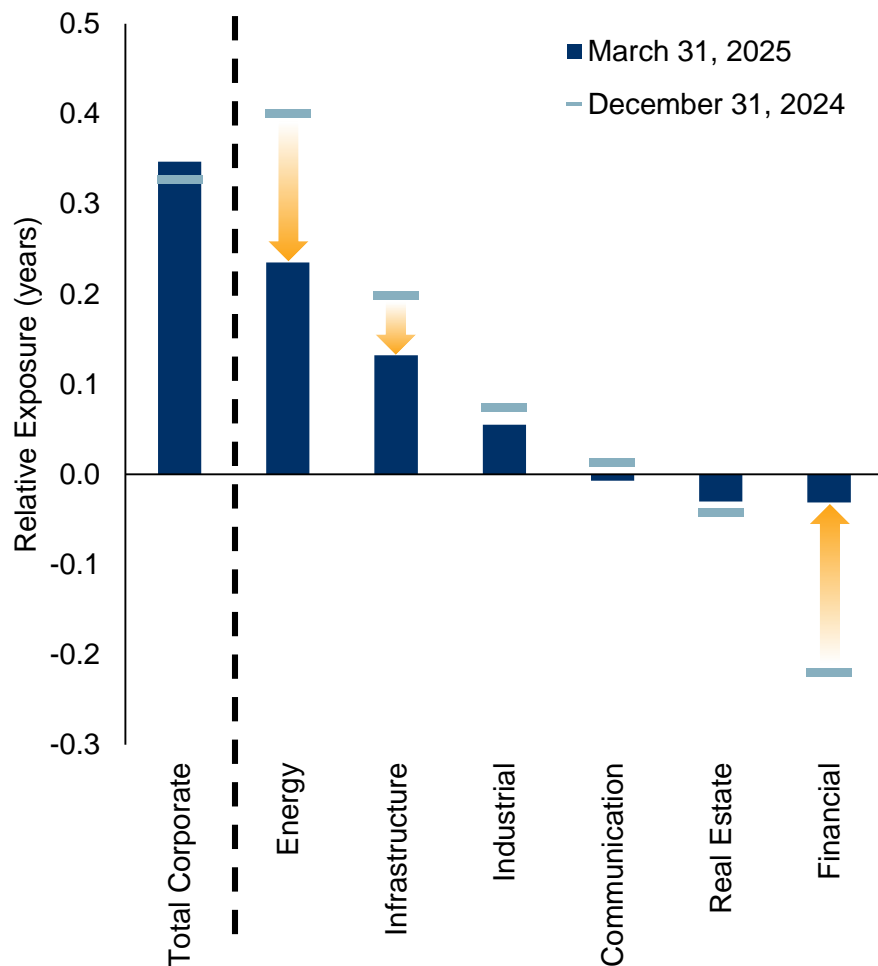
Allocations shown for PH&N Short Term Bond & Mortgage Fund since March 31, 2025. Source: RBC GAM.



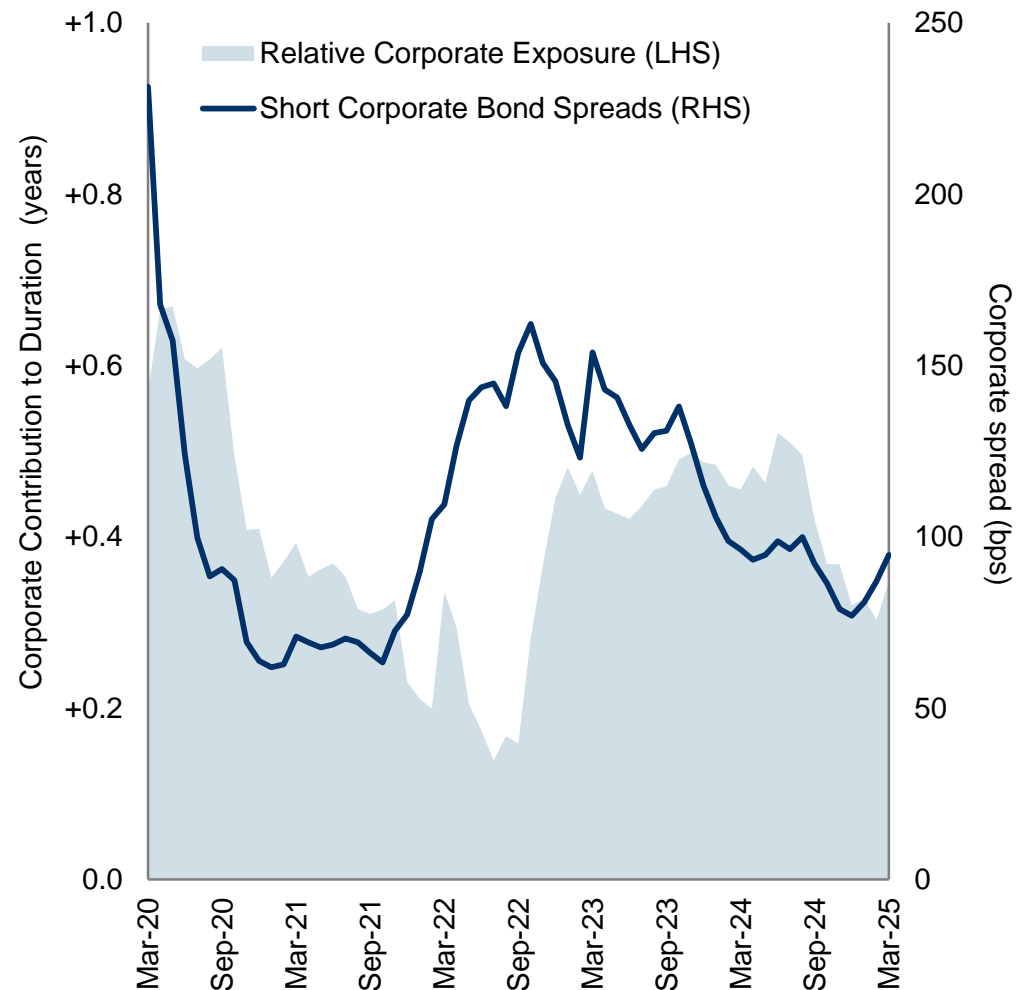
# Corporate bonds defensively positioned

Maintained focus on high quality and less economically sensitive sectors

## Corporate sector exposure



## Corporate exposure and spread



Exposures shown for the PH&N Short Term Bond & Mortgage Fund.  
Source: RBC GAM (BondLab). As of March 31, 2025.

# PH&N Short Term Bond & Mortgage Fund

## Mortgage Characteristics – March 31, 2025

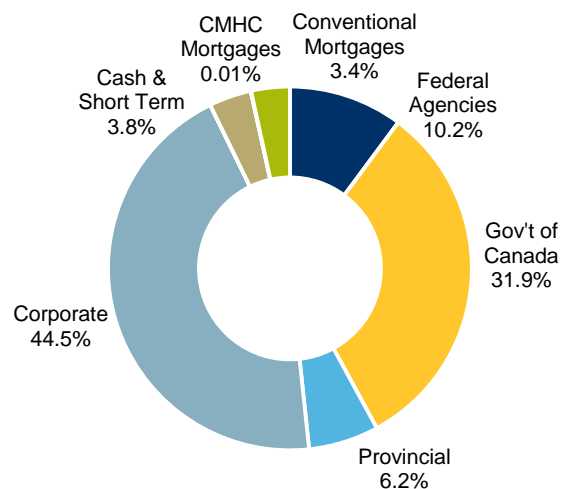
### Mortgage statistics

Number of mortgages:	20
Weighted average spread <sup>1</sup> :	146 basis points
Modified duration:	2.45 yr
Current yield:	4.04%
Weighted amortization:	26.5 yr*
Coverage ratios:	Debt service coverage = 1.89x
	Loan/value = 57%

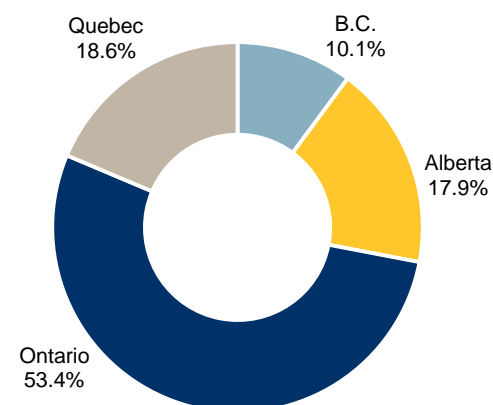
### Mortgage constraints

- First mortgages on income producing multi-residential properties in Canada
- Maximum loan-to-value of 75%
- Minimum debt service coverage of 1.2x
- 1% maximum in any one conventional mortgage and 2% maximum in any one CMHC mortgage

### Sector Distribution



### Mortgage geographic distribution



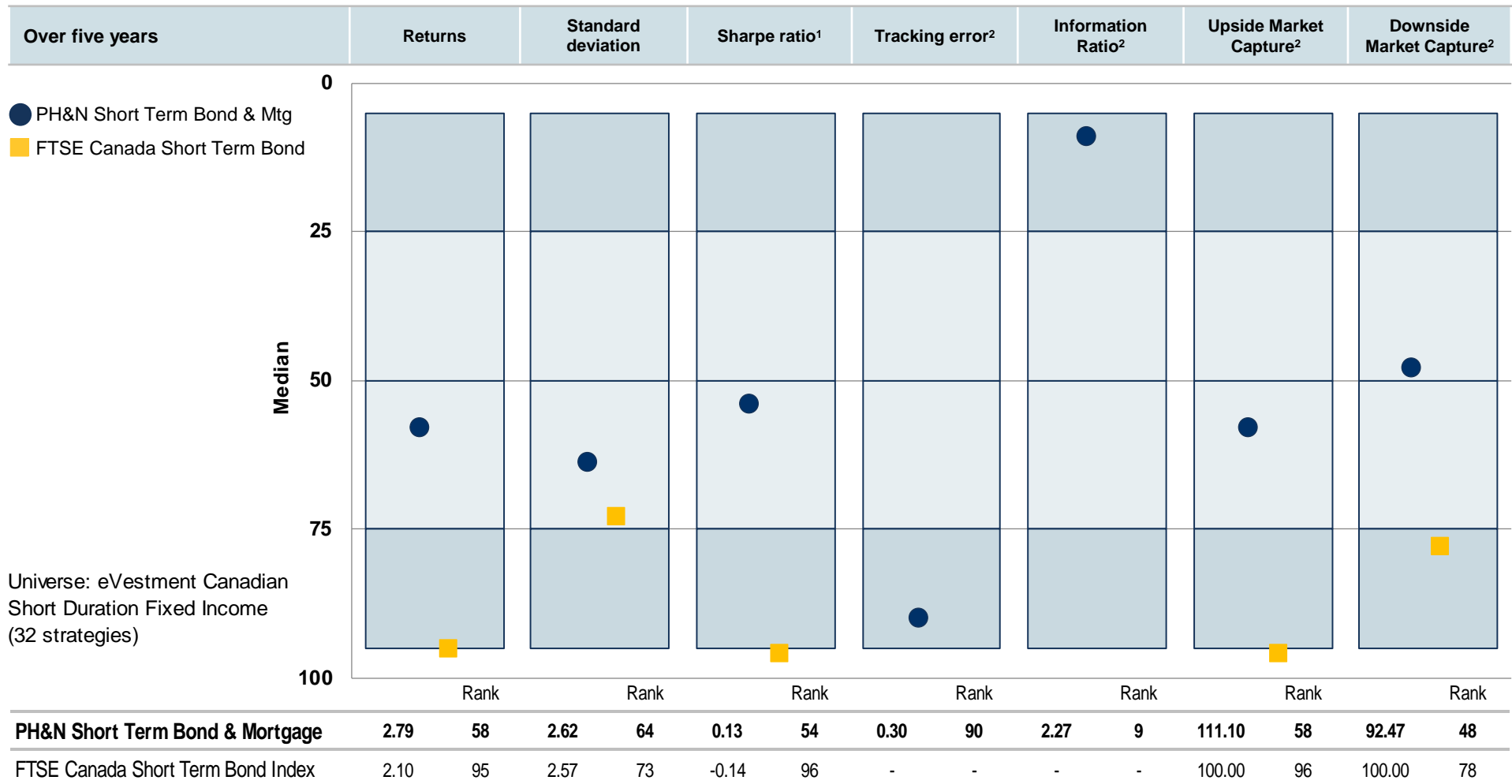
<sup>1</sup> Over equivalent term Canada issues

Yield is reported on a gross-of-fee basis, Series O, standard performance available in the appendix

\* Excludes interest only mortgages which represent 18.2% of total mortgages.

# Trailing 5-year risk

## Versus peer group



PH&N Short Term Bond & Mortgage is represented by the RBC GAM Canadian Fixed Income – Short Term (PH&N IM) Strategy.

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# PH&N Bond Fund

## PH&N Enhanced Total Return Bond Fund



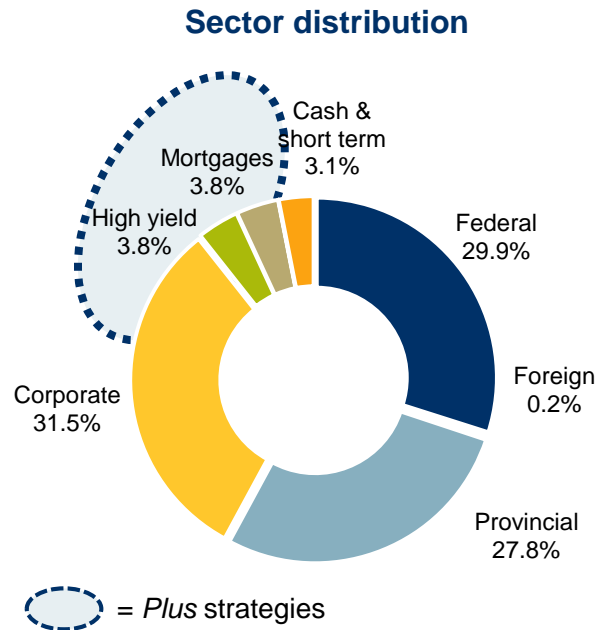
# Spectrum of fixed income investment capabilities

## Active management in universe bonds

		PH&N Bond Fund	PH&N Enhanced Total Return Bond Fund	PH&N Core Plus Bond Fund
Existing core strategies	Government	✓	✓	✓
	Investment grade corporates	✓	✓	✓
“Plus” strategies	Private placement debt	✗	✓	✓
	Mortgages	✗	✓	✓
	Conservative high yield	✗	✓	✓
Additional “plus” strategies	Global high yield	✗	✗	✓
	Emerging market debt	✗	✗	✓
Value-added target		0.45%	0.65%	1.25%
AUM (March 31, 2025)		\$8.4B	\$4.8B	\$12.8B
Inception Date		Oct 2002	Mar 2008	Jun 2013

# PH&N Enhanced Total Return Bond Fund

## Portfolio structure and principles



### Interest rate anticipation

- Tactical management of duration positioning
- Yield curve influenced by credit and liquidity strategies

### Credit & liquidity

- Quasi-government:
  - Overweight to provincials, neutral in federal agencies
- Investment grade corporates:
  - Medium overweight to corporates, defensively positioned in favour of high quality, less-cyclical credit
- High yield bonds:
  - Small position, mindful of the risks given tight valuation levels, cautiously positioned with a bias toward higher quality
- Mortgages
  - Small position, illiquidity premium remains at appealing levels

Portfolio characteristics		Ratings	Fund
Portfolio modified duration*	7.24yr	A & Above	73.1%
Benchmark <sup>1</sup> modified duration	7.19 yr	BBB	16.6%
Difference	+0.05 yr	BB & below	2.5%
Portfolio yield to maturity**	3.61%	Mortgages	3.1%
Benchmark <sup>1</sup> yield to maturity	3.33%	Not rated	1.0%
Incremental	+0.28%	Cash & short term	3.1%

\* Duration includes the duration of foreign instruments, which are less correlated with Canadian interest rates.

\*\* Yield is reported on a gross-of-fee basis; Series O. Sector distribution as of March 31, 2025, portfolio characteristics as of March 31, 2025.

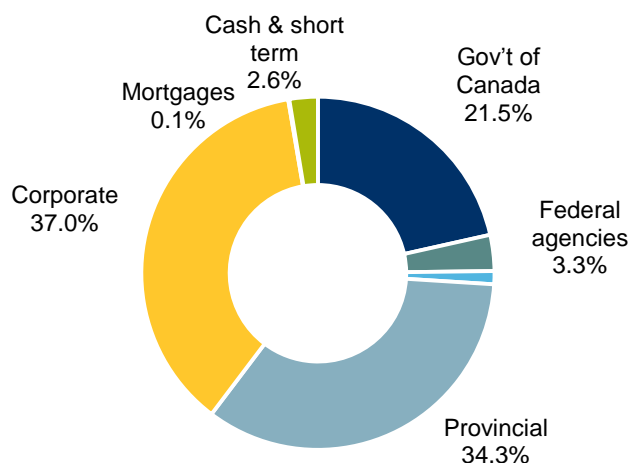
The yield shown is calculated based on the market price of the fund's securities.

<sup>1</sup> Benchmark represents FTSE Canada Universe Bond Index; Source: RBC GAM (BondLab), FTSE Global Debt Capital Markets Inc.

# PH&N Bond Fund

Adjusting positioning tactically based on the attractiveness of opportunities

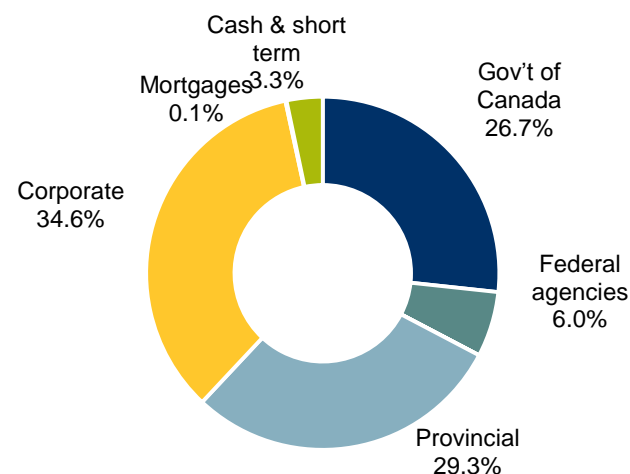
March 31, 2024



## Portfolio characteristics

Portfolio modified duration	7.07 yrs
Benchmark* modified duration	7.08 yrs
Difference	-0.01 yrs
Portfolio yield to maturity**	4.37%
Benchmark* yield to maturity	4.21%
Incremental	+0.16%

March 31, 2025



## Portfolio characteristics

Portfolio modified duration	7.25 yrs
Benchmark* modified duration	7.19 yrs
Difference	+0.06 yrs
Portfolio yield to maturity**	3.47%
Benchmark* yield to maturity	3.33%
Incremental	+0.14%

\* Benchmark represents FTSE Canada Universe Bond Index

\*\* Yield is reported on a gross-of-fee basis

Source: FTSE Global Debt Capital Markets Inc., RBC GAM (BondLab). Portfolio characteristics are subject to change.

**RBC Global Asset Management**

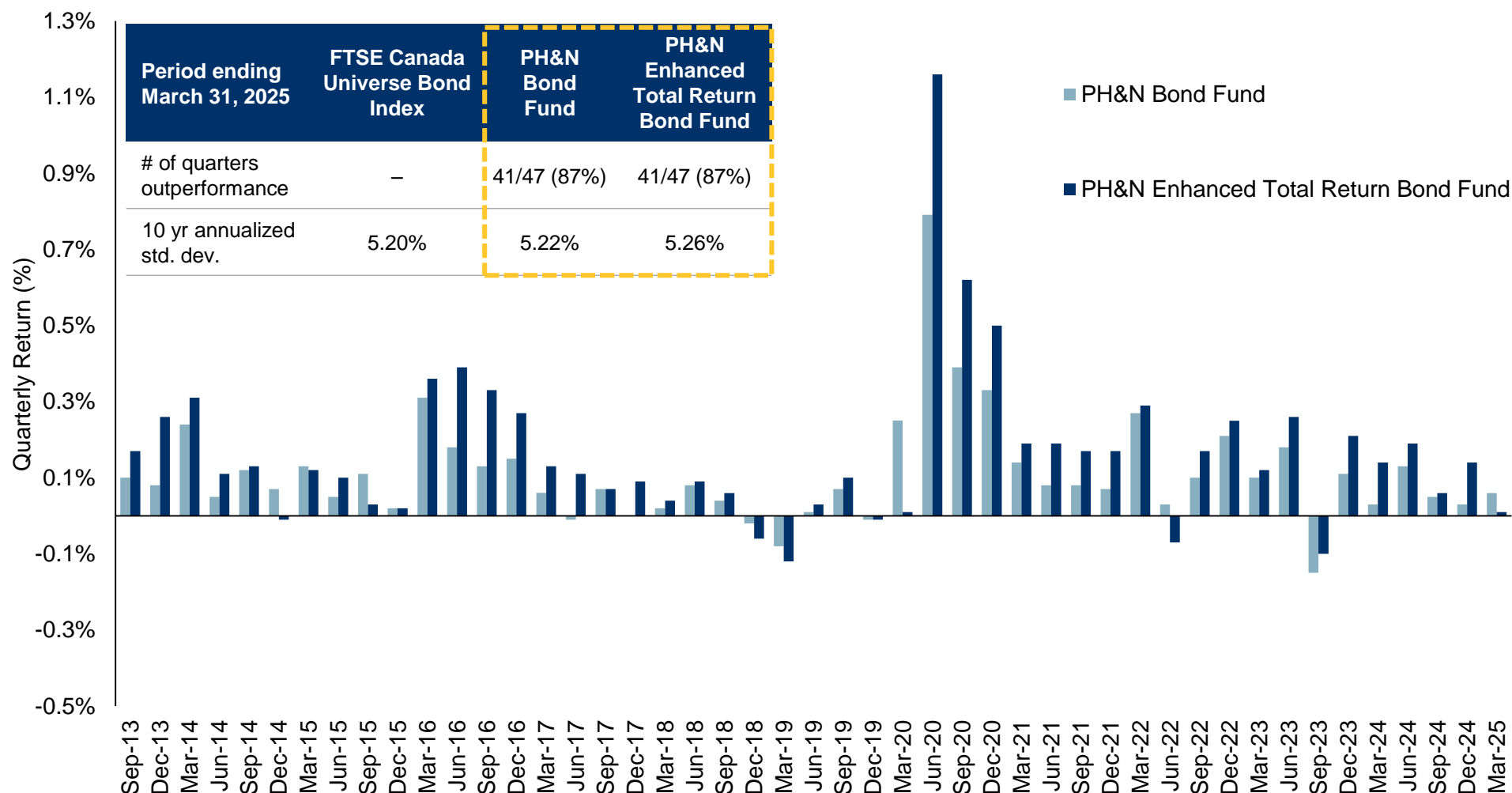
PH&N Institutional



# Fund comparison in universe bonds

Similar levels of volatility with different return profiles

## Quarterly value added vs. Benchmark\*



\* Benchmark represents the FTSE Canada Universe Bond Index.

Series O returns. Total returns are gross-of-fee and reported in Canadian dollars. Periods less than one year are not annualized.

Source: RBC GAM. Note: Past performance is not a guarantee of future results.



# PH&N Mortgage Pension Trust

## Mortgage portfolio characteristics – March 31, 2025

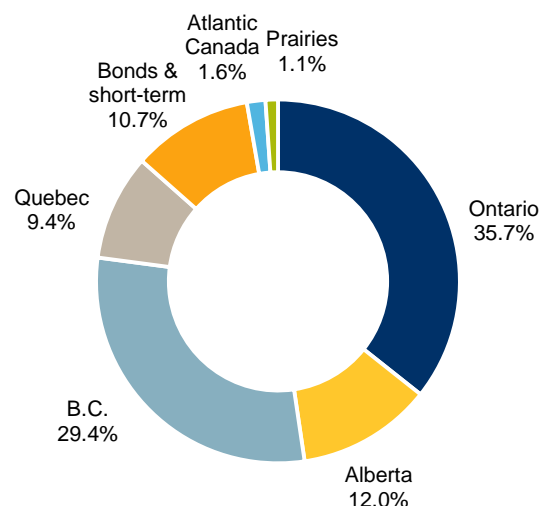
### Portfolio statistics

AUM:	\$5,193.7 million
Number of mortgages:	344
Weighted average spread <sup>1</sup> :	168 basis points
Yield-to-maturity <sup>2</sup> :	4.06%
Modified duration:	2.87 yr
Weighted amortization <sup>3</sup> :	22.6 yr
Coverage ratios <sup>4</sup> :	Debt service coverage = 1.7x
	Loan/value = 50%

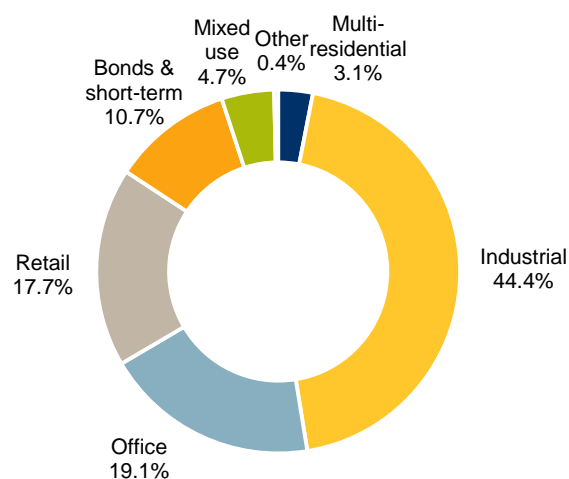
### Portfolio constraints

- **First mortgages only on income producing properties in Canada**
- Minimum debt service coverage of 1.25x
- Maximum loan-to-value of 75%
- Maximum term to maturity of 11 years
- No mortgage >2.5% of the market value of the portfolio unless government guaranteed; then not >3.5%

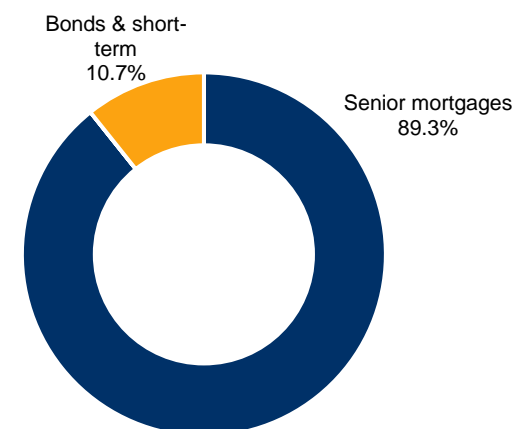
### Geographic distribution



### Property type distribution



### Security distribution



1 Over equivalent term Canada issues.

2 Yield is reported on a gross-of-fees basis; Series O. The yield is calculated based on the market price of the fund's securities.

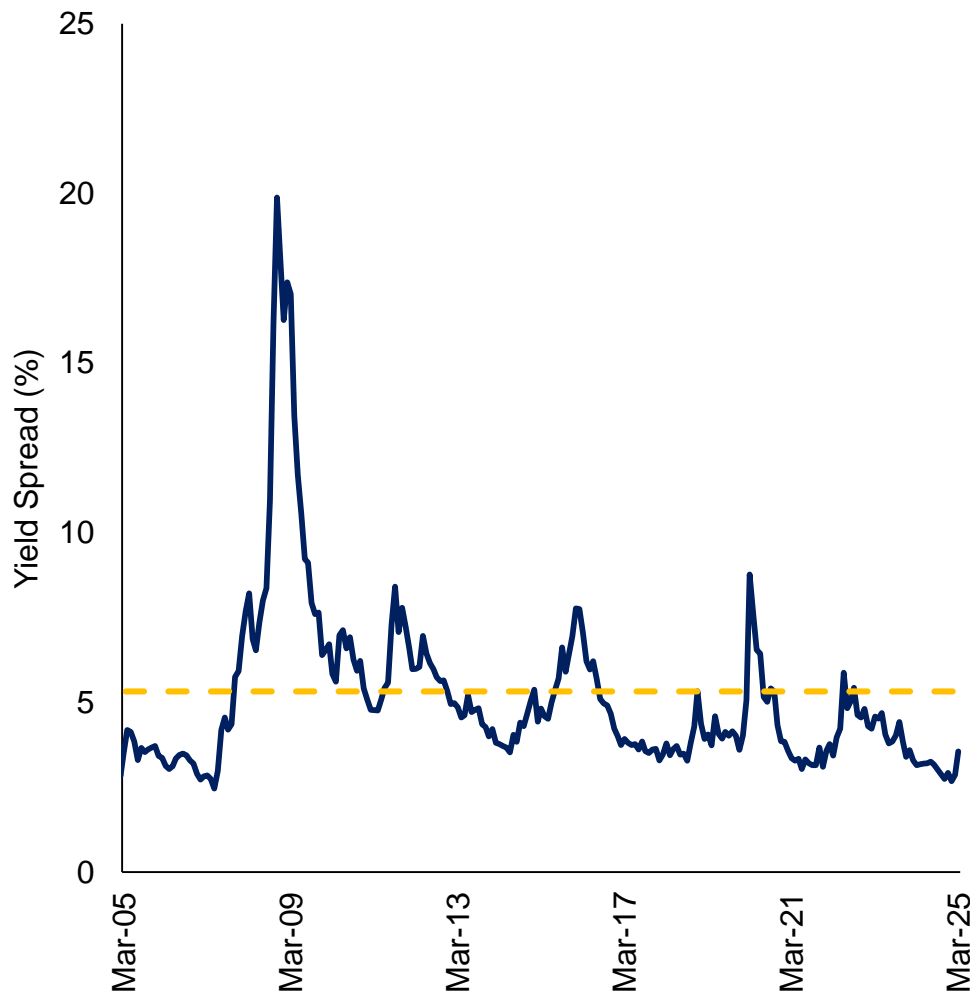
3 Excludes interest only mortgages which represent 19.0% of the total mortgages.

4 This does not include cash.

# High yield bond spreads low relative to historical average

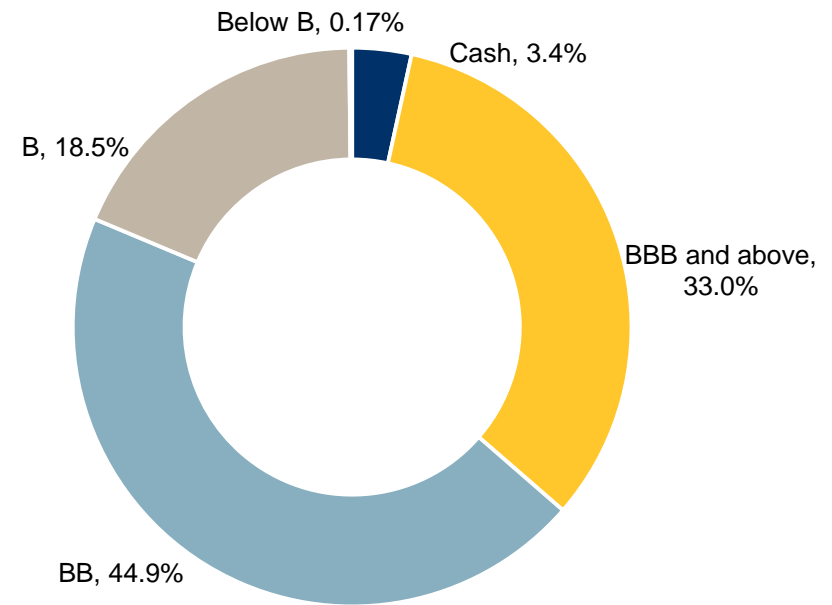
High yield exposure biased towards higher quality

## U.S. High Yield Spread



Source: Bloomberg, as of March 31, 2025. US High Yield spread data represented by ICE BofA Merrill Lynch US High Yield index. US high yield default rate represented by ICE BofA Merrill Lynch US High Yield index to December 31 2019, JPMorgan January 31 2020 to current.

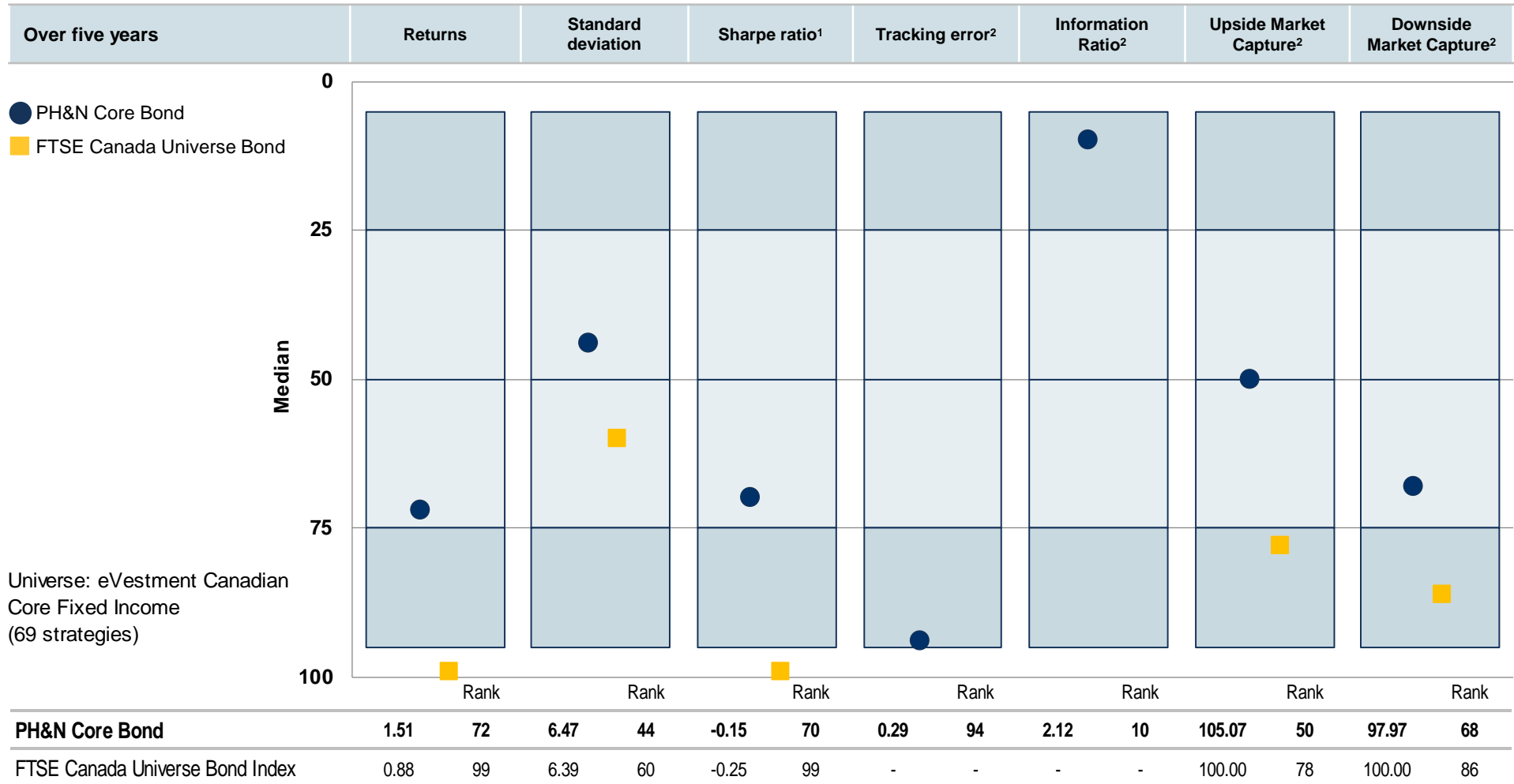
## High Yield Bonds Ratings Breakdown



Source: RBC GAM. As of March 31, 2025. Breakdown shown for PH&N Enhanced Total Return Bond Fund.

# Trailing 5-year risk statistics

## Versus peer group



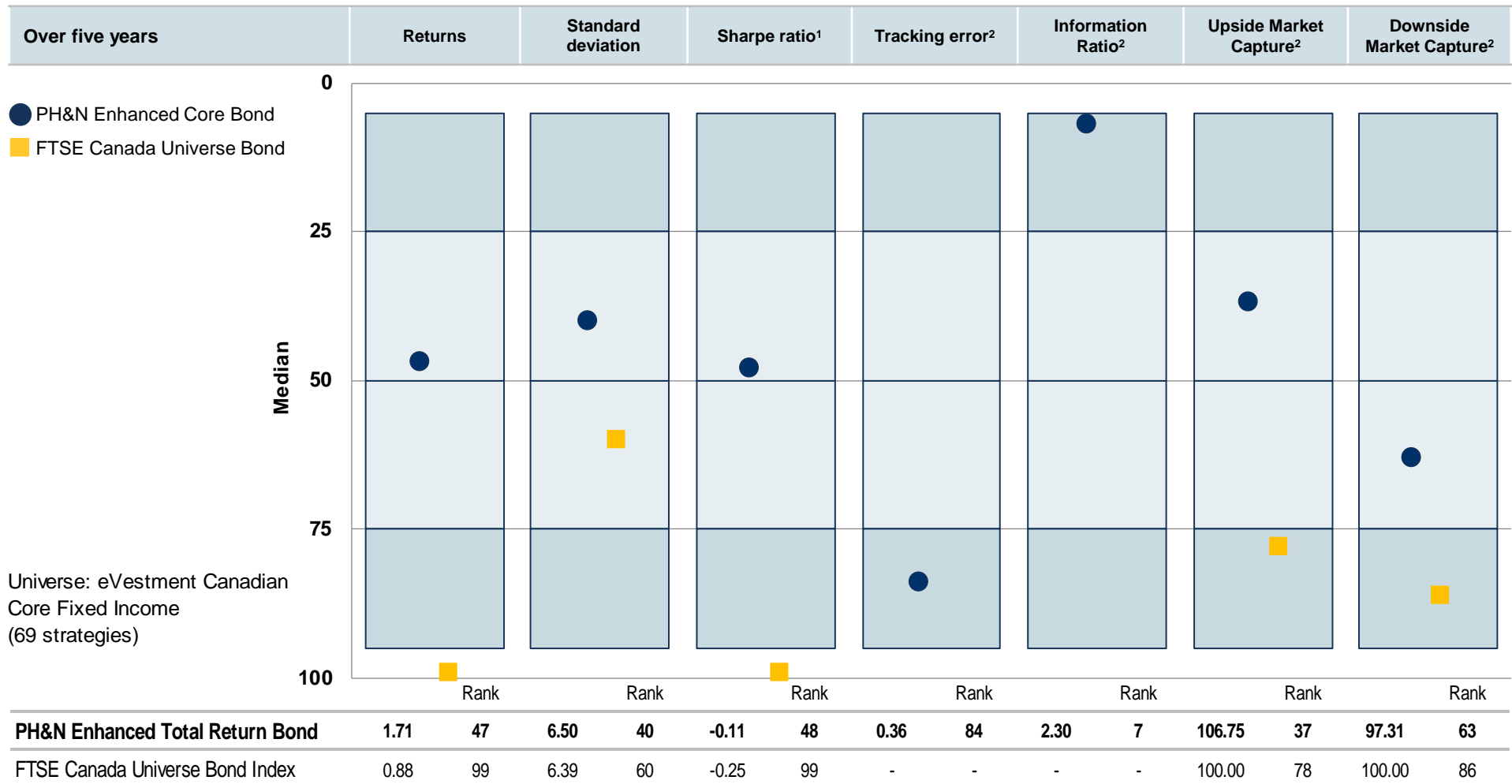
PH&N Core Bond is represented by the RBC GAM Canadian Fixed Income – Core Universe Strategy.

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# Trailing 5-year risk statistics

## Versus peer group



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