

RBC Global Asset Management
PH&N Institutional

ONE Joint Investment Board

Quarterly Meeting: November 25, 2025

Presented by:

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

Guest speakers:

David Lambert, CFA, Managing Director and Senior Portfolio Manager, Head of European Equities
Elma de Kuiper, CFA, Portfolio Manager, European Equities
Freddie Fuller, Product Specialist, European & International Equities



Agenda

- Platform Update
- Performance
- Team and Strategy Overview: RBC International Equity Fund
- Economic Outlook and Capital Markets Update

RBC Global Asset Management
PH&N Institutional

Platform Update



Capital markets & platform exposures

Index returns as of September 30, 2025

| Total Return and Volatility (%) | 3M | YTD | 1 YR | 3 YR | 5 YR | 1 YR VOL | 3 YR VOL | Platform Exposure (%) |
|---|-------|-------|-------|-------|-------|----------|----------|-----------------------|
| FTSE Canada Short Term Overall Bond Index | 1.32 | 3.54 | 4.21 | 4.98 | 1.88 | 1.16 | 2.24 | 28.85 |
| S&P/TSX Capped Composite Index | 12.50 | 23.93 | 28.60 | 21.31 | 16.68 | 10.32 | 12.01 | 15.95 |
| Multi-Asset Credit * | 3.00 | 7.43 | 8.51 | 10.33 | - | 2.67 | 4.26 | 14.14 |
| FTSE Canada Universe Bond Index | 1.51 | 2.98 | 2.93 | 4.66 | -0.16 | 3.32 | 5.72 | 13.93 |
| S&P 500 Total Return Index (CAD) | 10.50 | 11.18 | 21.01 | 25.25 | 17.50 | 13.66 | 11.59 | 8.86 |
| FTSE Canada All Corporate Bond Index | 1.81 | 4.13 | 5.20 | 5.42 | 0.27 | 2.43 | 5.57 | 7.01 |
| MSCI EAFE Total Return Net Index (CAD) | 6.83 | 21.07 | 18.43 | 22.21 | 12.07 | 7.83 | 10.23 | 5.93 |
| MSCI World Total Return Net Index (CAD)* | 9.39 | 13.61 | 20.76 | 24.23 | 15.35 | 10.9 | 10.62 | 2.53 |
| FTSE World Government Bond Index (WGBI)* (Hedged to CAD) | 0.26 | 1.73 | 0.25 | 2.77 | -1.50 | 2.94 | 4.63 | 2.15 |
| FTSE Canada 30 Day TBill Index* | 0.67 | 2.11 | 3.14 | 4.17 | 2.67 | 0.18 | 0.26 | 0.46 |
| ICE BofA BB-B US High Yield Index (CAD Hedged) | 1.80 | 5.67 | 5.15 | 9.18 | 4.14 | 2.98 | 4.82 | 0.19 |
| MSCI Emerging Markets Index (CAD) | 12.82 | 23.38 | 20.84 | 18.71 | 7.89 | 11.27 | 13.87 | 0.00 |

BlueBay Total Return Credit Fund (Canada) data shown in lieu of FTSE Canada 90 Day Tbill Index (Primary Benchmark)

* Indicates a strategy that is utilized to replicate the legacy outcome framework – and not included in the approved Model Portfolios

Model portfolios – allocations

| Approved on Sept. 4 2025 | A | B | C | D | E | F | G | D+ | E+ | F+ | G+ | Durham Short | Durham Med | Durham Long |
|----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|-------------|
| Fixed Income | 100% | 80% | 70% | 60% | 50% | 40% | 30% | 50% | 40% | 30% | 20% | 100% | 70% | 70% |
| Canadian Money Market | | | | | | | | | | | | | | |
| Short-Term Bonds and Mortgages | 50% | 50% | 35% | 25% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 50% | 35% | 17.5% |
| Enhanced Universe Bond Strategy | | | | | | | | | | | | | | 17.5% |
| Corporate Bonds | 20% | | | | | | | | | | | 20% | | |
| Private Placement Corporate Debt | 5% | 10% | 10% | 10% | 7.5% | | | 5% | 2.5% | | | 5% | 10% | 10% |
| Commercial Mortgages | 5% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | 10% | | 5% | 10% | 10% |
| High Yield Bonds | 5% | | | | | | | | | | | 5% | | |
| Global Multi-Asset Credit | 15% | 10% | 15% | 15% | 12.5% | 10% | | 15% | 7.5% | | | 15% | 15% | 15% |
| Equities | | 20% | 30% | 40% | 50% | 60% | 70% | 40% | 50% | 60% | 70% | | 30% | 30% |
| Canadian Equities | | 5% | 7% | 10% | 12.5% | 20% | 30% | 10% | 12.5% | 20% | 35% | | 7.5% | 7.5% |
| Canadian Low Volatility Equities | | 5% | 7% | 10% | 12.5% | 10% | 5% | 10% | 12.5% | 10% | | | 7.5% | 7.5% |
| U.S. Equities | | 2% | 4% | 5% | 4% | 5% | 6% | 5% | 4% | 5% | 9% | | 5% | 5% |
| U.S. Low Volatility Equities | | 2% | 4% | 5% | 4% | 5% | 6% | 5% | 4% | 5% | 3% | | 5% | 5% |
| International Equities | | 6% | 8% | 10% | 12% | 14% | 16% | 10% | 12% | 14% | 16% | | 5% | 5% |
| Emerging Market Equities | | | | | 5% | 6% | 7% | | 5% | 6% | 7% | | | |
| Alternatives | | | | | | | | 10% | 10% | 10% | 10% | | | |
| Canadian Core Real Estate | | | | | | | | 5% | 5% | 5% | 5% | | | |
| Global Infrastructure | | | | | | | | 5% | 5% | 5% | 5% | | | |

Shaded areas denote a change (models approved on Sept. 4 2025, implemented on November 3, 2025)
 Emerging markets equity exposure added from reduced U.S. and EAFE equity allocations.
 Exposure to Canadian equities now includes greater allocation to Low Volatility Canadian equity strategy in some models.



Activities since last JIB meeting

| | |
|---|--|
| <p>September 16</p> | <p>Durham: \$205,352,000 million cash inflow invested in the Long Term Portfolio</p> |
| <p>September 23</p> | <p><i>Transfer to Model Portfolios</i></p> <p>Innisfil: Model C</p> <p>Muskoka: Model E</p> <p>Aurora: Model E</p> |
| <p>September 26</p> | <p>Durham: \$205,352,000 million cash inflow invested in the Long Term Portfolio</p> |
| <p>November 3</p> | <p>Model Update (E, E+, F, F+, G, G+) to include the Emerging Markets Equity Funds <i>(Aurora, Muskoka, Neebing, Central Frontenac, Clarington)</i></p> <p>Model Update (B to G+) to implement the international equity fund substitution <i>(All municipalities impacted, except for Durham Short which has no equity allocation)</i></p> <p>Clarington: Model transition (G to G+) to include Canadian Core Real Estate fund and Global Infrastructure fund</p> |
| <p>November 25 (Upon ONE JIB Approval)</p> | <p><i>Transfer to Model Portfolios</i></p> <p>Thunder Bay: Model E+</p> <p>Bracebridge: Model G</p> <p>Kenora: Model E (for General Account) and Model E+ (for CPTF)</p> <p>Aylmer: Model E+</p> |

Queued allocations (November 11, 2025)

| Portfolio Name | RBC Commercial Mortgage Fund | % Funded (Target Allocation) | PH&N Private Placement Corporate Debt Fund | % Funded (Target Allocation) |
|--|------------------------------|------------------------------|--|------------------------------|
| ONE Investment - Durham Short | \$1,644,700.00 | 66% | | 100% |
| ONE Investment - Durham Medium | \$2,215,300.00 | 66% | | 100% |
| ONE Investment - Durham Long | \$119,348,280.83 | 34% | | 100% |
| ONE Investment - Clarington - Model G+ | \$1,458,400.00 | 27% | \$581,352.18 | 0% |
| ONE Investment - Central Frontenac – Model F | \$204,200.00 | 27% | | 100% |
| ONE Investment - Red Lake – Model D | \$160,400.00 | 27% | | 100% |
| ONE Investment - Huntsville - Model D | \$1,143,605.54 | 0% | | 100% |
| ONE Investment - Neebing – Model E | \$289,640.41 | 0% | \$86,859.74 | 63% |
| ONE Investment - Quinte West – Model D | \$3,317,147.88 | 0% | | 100% |
| ONE Investment - Whitby - Model D | \$20,214,242.99 | 0% | | 100% |
| ONE Investment - Aurora - Model E | \$5,611,000.00 | 0% | \$1,463,272.67 | 66% |
| ONE Investment - Innisfil - Model C | \$6,714,000.00 | 0% | | 100% |
| ONE Investment - Muskoka - Model E | \$15,163,000.00 | 0% | \$3,920,982.51 | 0% |

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"> Timing is TBD and dependent on a variety of factors, including investment deal flow and the account's position in the respective queues. |
| PH&N Private Placement Corporate Debt Fund | PH&N Enhanced Total Return Bond Fund | |
| PH&N High Yield Bond Fund | RBC High Yield Bond Fund | <ul style="list-style-type: none"> PH&N High Yield Bond Fund is currently soft closed. Allocation will be funded at its next re-opening, which is TBD |
| RBC Core Canadian Real Estate Fund | No substitution | <ul style="list-style-type: none"> Quarterly liquidity |
| RBC Global Infrastructure Fund | No substitution | <ul style="list-style-type: none"> Quarterly liquidity |

As of December 31, 2024. Source: RBC GAM

RBC Global Asset Management
PH&N Institutional

Performance



Model portfolios - performance (September 30, 2025)

| Model Portfolio Return (%)* | 3 Months | YTD |
|-------------------------------------|-------------|-------|
| Short-Term Model (A) - 0% Equities | 1.81 | 4.58 |
| <i>Reference Portfolio A</i> | 1.51 | 2.98 |
| Short-Term Model (B) - 20% Equities | 2.86 | 6.95 |
| <i>Reference Portfolio B</i> | 3.65 | 6.93 |
| Mid-Term Model (C) - 30% Equities | 3.54 | 8.27 |
| <i>Reference Portfolio C</i> | 4.73 | 8.96 |
| Mid-Term Model (D) - 40% Equities | 4.17 | 9.71 |
| <i>Reference Portfolio D</i> | 5.82 | 11.01 |
| Mid-Term Model (D+) - 40% Equities | 4.16 | 9.59 |
| <i>Reference Portfolio D+</i> | 6.37 | 12.04 |
| Mid-Term Model (E) - 50% Equities | 4.83 | 11.16 |
| <i>Reference Portfolio E</i> | 6.91 | 13.09 |
| Mid-Term Model (E+) - 50% Equities | 4.74 | 10.85 |
| <i>Reference Portfolio E+</i> | 7.46 | 14.14 |
| Long-Term Model (F) - 60% Equities | 5.70 | 12.32 |
| <i>Reference Portfolio F</i> | 8.02 | 15.20 |
| Long-Term Model (F+) - 60% Equities | 5.58 | 12.10 |
| <i>Reference Portfolio F+</i> | 8.57 | 16.26 |
| Long-Term Model (G) - 70% Equities | 6.52 | 13.33 |
| <i>Reference Portfolio G</i> | 9.13 | 17.34 |

3-Month Performance Attribution

Fixed income reference portfolio:

FTSE Canada Universe Bond Index → 1.51%

- The shorter duration exposure detracted from relative performance
- The credit overweights (multi-asset credit, Canadian corporate bonds and private placements) all contributed value added return.
- Mortgages were a neutral exposure.

Equity reference portfolio:

S&P/TSX Capped Composite Index → 12.50%

- The reference portfolio was the strongest equity index for the period
- The diversified equity exposure mitigated volatility but does contribute to under-performance relative to the Canadian equity index.
- In a strong equity market, the low volatility equity exposure is expected to capture a fraction of the equity gains.

Conclusion:

The strategic portfolios are behaving as expected. The addition of Emerging Markets equities will provide additional levers of performance and diversification.

* Inception Date – Jan. 1 2025

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.

Fixed Income (September 30, 2025)

| Fixed Income Solutions - Total Return (%) | 3 Months | 1 Year | 3 Year | 5 Year | ONE AUM ¹ | 3 Months | 1 Year | 3 Years | 5 Years |
|--|-------------|-------------|--------------|-------------|-----------------------|----------|--------|---------|---------|
| PH&N Short Term Bond & Mortgage Fund | 1.39 | 4.39 | 5.29 | 2.30 | 734,448,088.23 | Q3 | Q4 | Q4 | Q3 |
| <i>FTSE Canada Short Term Overall Bond Index</i> | 1.32 | 4.21 | 4.98 | 1.88 | | | | | |
| <i>Value Add</i> | 0.07 | 0.18 | 0.31 | 0.42 | | | | | |
| PH&N Enhanced Total Return Bond Fund | 1.76 | 3.58 | 5.26 | 0.51 | 380,862,759.43 | Q2 | Q2 | Q3 | Q2 |
| <i>FTSE Canada Universe Bond Index</i> | 1.51 | 2.93 | 4.66 | -0.16 | | | | | |
| <i>Value Add</i> | 0.25 | 0.65 | 0.60 | 0.67 | | | | | |
| PH&N Corporate Bond Trust | 1.88 | 5.11 | 6.83 | 2.00 | 20,524,655.24 | Q4 | Q4 | Q4 | Q4 |
| <i>FTSE Canada All Corporate Bond Index</i> | 1.81 | 5.20 | 6.83 | 1.79 | | | | | |
| <i>Value Add</i> | 0.07 | -0.09 | 0.00 | 0.21 | | | | | |
| PH&N Private Placement Corporate Debt Fund | 2.10 | 5.57 | 7.39 | 1.94 | 175,076,945.23 | Q3 | Q3 | Q2 | Q4 |
| <i>FTSE Canada All Corporate Bond Index</i> | 1.81 | 5.20 | 5.42 | 0.27 | | | | | |
| <i>Value Add</i> | 0.29 | 0.37 | 1.97 | 1.67 | | | | | |
| RBC Commercial Mortgage Fund | 1.48 | 5.72 | 6.41 | - | 70,952,544.36 | Q2 | Q1 | Q1 | --- |
| <i>FTSE Canada Short Term Overall Bond Index</i> | 1.32 | 4.21 | 4.98 | - | | | | | |
| <i>Value Add</i> | 0.16 | 1.51 | 1.43 | - | | | | | |
| RBC High Yield Bond Fund | 2.22 | 6.59 | 9.30 | 4.40 | 5,203,437.23 | Q4 | Q4 | Q2 | Q3 |
| <i>FTSE Canada Short Term Overall Bond Index²</i> | 1.32 | 4.21 | 4.79 | -0.09 | | | | | |
| <i>Value Add</i> | 0.90 | 2.38 | 4.51 | 4.49 | | | | | |
| BlueBay Total Return Credit Fund (Canada) | 3.00 | 8.51 | 10.33 | - | 394,581,270.81 | N/A | N/A | N/A | N/A |
| <i>FTSE Canada 91 Day T-Bill Index</i> | 0.71 | 3.30 | 4.28 | - | | | | | |
| <i>Value Add</i> | 2.29 | 5.21 | 6.05 | - | | | | | |

1. AUM as of September 30, 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

Quartile ranking source: eVestment

Equities (September 30, 2025)

| Fixed Income Solutions - Total Return (%) | 3 Months | 1 Year | 3 Year | 5 Year | ONE AUM ¹ | 3 Months | 1 Year | 3 Years | 5 Years |
|---|--------------|--------------|--------------|--------------|----------------------|----------|--------|---------|---------|
| RBC QUBE Canadian Equity Fund | 11.24 | 30.71 | 22.61 | 17.61 | 82,840,286.16 | Q1 | Q1 | Q1 | Q2 |
| <i>S&P/TSX Capped Composite Index</i> | 12.50 | 28.60 | 21.31 | 16.68 | | | | | |
| <i>Value Add</i> | -1.26 | 2.11 | 1.30 | 0.93 | | | | | |
| PH&N Canadian Equity Value Fund | 11.63 | 27.17 | 21.05 | 19.10 | 82,768,418.73 | Q1 | Q1 | Q2 | Q1 |
| <i>S&P/TSX Capped Composite Index</i> | 12.50 | 28.60 | 21.31 | 16.68 | | | | | |
| <i>Value Add</i> | -0.87 | -1.43 | -0.26 | 2.42 | | | | | |
| PH&N Canadian Equity Fund | 10.86 | 26.25 | 20.70 | 16.98 | 82,595,402.98 | Q2 | Q2 | Q2 | Q2 |
| <i>S&P/TSX Capped Composite Index</i> | 12.50 | 28.60 | 21.31 | 16.68 | | | | | |
| <i>Value Add</i> | -1.64 | -2.35 | -0.61 | 0.30 | | | | | |
| PH&N U.S. Equity Fund | 9.74 | 17.82 | 25.19 | 16.90 | 62,078,286.76 | Q2 | Q2 | Q1 | Q2 |
| <i>S&P 500 Total Return Index (CAD)</i> | 10.50 | 21.01 | 25.25 | 17.50 | | | | | |
| <i>Value Add</i> | -0.76 | -3.19 | -0.06 | -0.60 | | | | | |
| RBC QUBE U.S. Equity Fund | 9.20 | 20.36 | 26.17 | 18.40 | 61,935,362.36 | Q2 | Q2 | Q1 | Q1 |
| <i>S&P 500 Total Return Index (CAD)</i> | 10.50 | 21.01 | 25.25 | 17.50 | | | | | |
| <i>Value Add</i> | -1.30 | -0.65 | 0.92 | 0.90 | | | | | |
| RBC International Equity Fund | 4.00 | 10.44 | 19.63 | 9.45 | 82,514,281.15 | Q3 | Q4 | Q3 | Q3 |
| <i>MSCI EAFE Total Return Net Index (CAD)</i> | 6.83 | 18.43 | 22.21 | 12.07 | | | | | |
| <i>Value Add</i> | -2.83 | -7.99 | -2.58 | -2.62 | | | | | |
| PH&N Overseas Equity Fund | 6.30 | 12.89 | 15.52 | 7.52 | 82,985,481.76 | Q3 | Q4 | Q3 | Q4 |
| <i>MSCI EAFE Total Return Net Index (CAD)</i> | 6.83 | 18.43 | 22.21 | 12.07 | | | | | |
| <i>Value Add</i> | -0.53 | -5.54 | -6.69 | -4.55 | | | | | |

Quartile ranking source: eVestment

Equities – Low Volatility (September 30, 2025)

| Total Return (%) | 3 Months | 1 Year | 3 Year | 5 Year | 10 Year | ONE AUM ¹ |
|---|-------------|--------------|--------------|--------------|--------------|-----------------------|
| RBC QUBE Low Volatility Canadian Equity Fund | 6.19 | 22.25 | 19.31 | 16.14 | 11.41 | 197,002,676.00 |
| <i>S&P/TSX Capped Composite Index</i> | 12.50 | 28.60 | 21.31 | 16.68 | 11.82 | |
| <i>MSCI Canada Minimum Volatility Gross Index (CAD)</i> | 5.71 | 17.70 | 18.92 | 15.82 | 10.99 | |
| RBC QUBE Low Volatility U.S. Equity Fund | 4.53 | 9.10 | 15.38 | 12.13 | 12.05 | 123,248,489.50 |
| <i>S&P Composite 1500 Index (CAD)</i> | 10.39 | 19.99 | 24.43 | 17.27 | 15.38 | |
| <i>MSCI USA Minimum Volatility Net Index (CAD)</i> | 3.64 | 9.99 | 14.72 | 10.47 | 11.06 | |

| Volatility of Returns (%) | 1 Year | 3 Year | 5 Year | 10 Year |
|---|--------------|-------------|--------------|--------------|
| RBC QUBE Low Volatility Canadian Equity Fund | 6.41 | 9.02 | 10.44 | 10.51 |
| <i>S&P/TSX Capped Composite Index</i> | 10.32 | 12.01 | 12.72 | 12.80 |
| RBC QUBE Low Volatility U.S. Equity Fund (CAD) | 10.62 | 9.18 | 10.09 | 10.53 |
| <i>S&P Composite 1500 Index (CAD)</i> | 13.86 | 11.78 | 13.09 | 12.90 |

| Sharpe Ratio | 1 Year | 3 Year | 5 Year | 10 Year |
|---|-------------|-------------|-------------|-------------|
| RBC QUBE Low Volatility Canadian Equity Fund | 2.99 | 1.68 | 1.29 | 0.92 |
| <i>S&P/TSX Capped Composite Index</i> | 2.47 | 1.43 | 1.10 | 0.78 |
| RBC QUBE Low Volatility U.S. Equity Fund (CAD) | 0.56 | 1.22 | 0.94 | 0.98 |
| <i>S&P Composite 1500 Index (CAD)</i> | 1.22 | 1.72 | 1.12 | 1.05 |

1. AUM as of September 30, 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.

Emerging Markets Equity Funds (NEW)

| Emerging Markets Equity Solutions | 3 Months | 1 Year | 3 Year | 5 Year | ONE AUM | Most Recent Quarter | 1 Year | 3 Year | 5 Year |
|---|--------------|--------------|--------------|--------------|------------|---------------------|--------|--------|--------|
| RBC Emerging Markets Equity Fund | 11.37 | 19.48 | 20.53 | 9.38 | \$0 | Q1 | Q1 | Q1 | Q2 |
| <i>MSCI Emerging Markets Total Return Net Index (CAD)</i> | 12.82 | 20.84 | 18.71 | 7.89 | | | | | |
| <i>Value Add</i> | -1.45 | -1.36 | 1.82 | 1.49 | | | | | |
| RBC Emerging Markets Dividend Fund | 13.51 | 25.82 | 23.23 | 13.47 | \$0 | Q1 | Q1 | Q1 | Q1 |
| <i>MSCI Emerging Markets Total Return Net Index (CAD)</i> | 12.82 | 20.84 | 18.71 | 7.89 | | | | | |
| <i>Value Add</i> | 0.69 | 4.98 | 4.52 | 5.58 | | | | | |

Quartile ranking source: eVestment

| | RBC Emerging Markets Equity fund | RBC Emerging Markets Dividend Fund |
|-----------------|--|--|
| Lead manager | Philippe Langham | Laurence Bensafi |
| AUM | \$ 8,596 m | \$ 1,984 m |
| Objectives | 3% outperformance of benchmark before fees | 3% outperformance of benchmark before fees |
| Strategy launch | April 2010 | July 2013 |
| Team location | London | London |



Laurence Bensafi
Deputy Head of Emerging Markets Equity
27 years of experience



Dijana Jelic
Product Specialist
14 years of experience

**Proposed guest speakers for the next ONE JIB Meeting
(February 26, 2026)**

Team and Strategy Overview

RBC International Equity Fund

David Lambert

Head of European Equity Team

Elma de Kuiper

Portfolio Manager, European Equity

Freddie Fuller

Product Specialist, European & International Equities

International investment teams

Cohesive team culture, research-focused

European Equity team
RBC Global Asset Management (UK) Limited
Based in the London office



David Lambert
Head of European Equity
26 years of experience



Elma de Kuiper
Portfolio Manager
13 years of experience



Siddhi Purohit
Portfolio Manager
21 years of experience



Lukas Harrison
Portfolio Manager
13 years of experience



David Howells
Senior Analyst
10 years of experience



Robert Clarke
Analyst
8 years of experience



Ola Ayeko
Analyst
5 years of experience



Nick Keary
Senior Portfolio Engineer
11 years of experience



Freddie Fuller
Product Specialist
12 years of experience

Asian Equity team
RBC Global Asset Management (Asia) Limited
Based in the Hong Kong office



Mayur Nallamala
Head of Asian Equity
26 years of experience



David Soh
Head of Research
20 years of experience



Derek Au
Portfolio Manager
12 years of experience



Chris Lai
Portfolio Manager
13 years of experience



Siguo Chen
Portfolio Manager
12 years of experience



Maya Funaki
Portfolio Manager
14 years of experience



Selina Lu
Portfolio Manager
15 years of experience



Qian Yu
Analyst
8 years of experience



Robert Johnson
Analyst
6 years of experience



Cornelius Gilbert
Analyst
1 year of experience



Owen Ou
Portfolio Engineer
11 years of experience



Camilla Bryden
Product Specialist
7 years of experience

As of March 31, 2025. RBC European Equity Team members are part of RBC Global Asset Management (UK) Limited. RBC Asian Equity Team members are part of RBC Global Asset Management (Asia) Limited.

Shared philosophy and fundamental approach

Investment Philosophy

- Specialise in companies with **high and sustainable** levels of profitability and **low capital intensity**
- Maintain a **skeptical mind-set** and a willingness to **challenge the status quo**

Investment Style

- Emphasis on **economic value creation** beyond earnings per share growth
- Focus on the **power** of long-term **compounding** not short-term valuation arbitrage

Investment Process

- In-depth and **rigorous** company-level research drives security selection
- In a world of flux, identify **persistence** (themes, profitability, franchise)

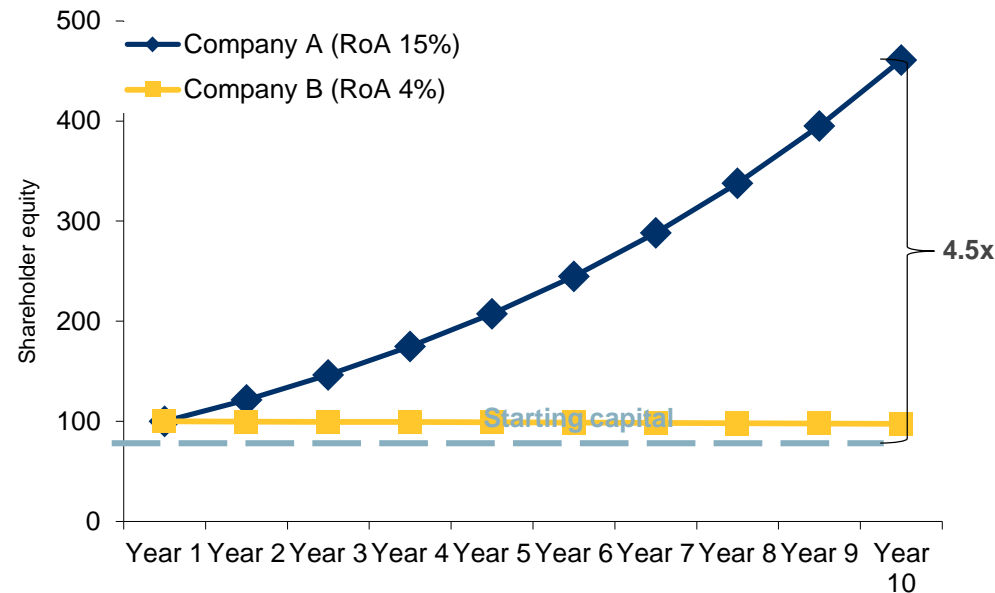
Portfolio Construction

- Suitably concentrated portfolio with high conviction approach
- Position sizing and risk management with Portfolio Engineer

Investment philosophy

Economic value creation

Wedge of economic value



Key drivers

Growth and profitability

- Industry dominance
- Industry growth

Sustainable growth

- Barriers to entry
- Capital discipline

Financial compounding

- High and sustainable returns
- Low capital intensity

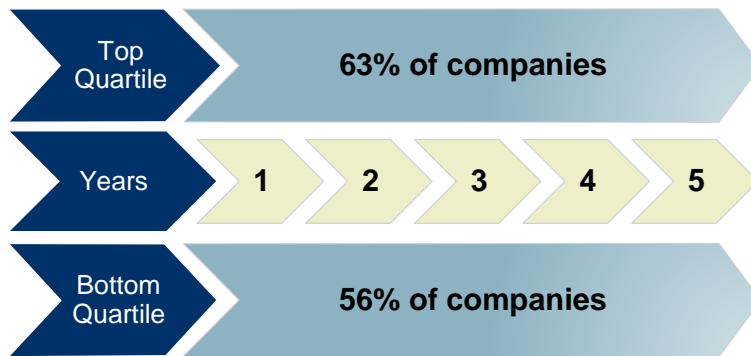
Cost of capital assumption: 8%

Source: RBC Global Asset Management. For illustrative purposes only.

Investment philosophy

Persistence

Quality persistence

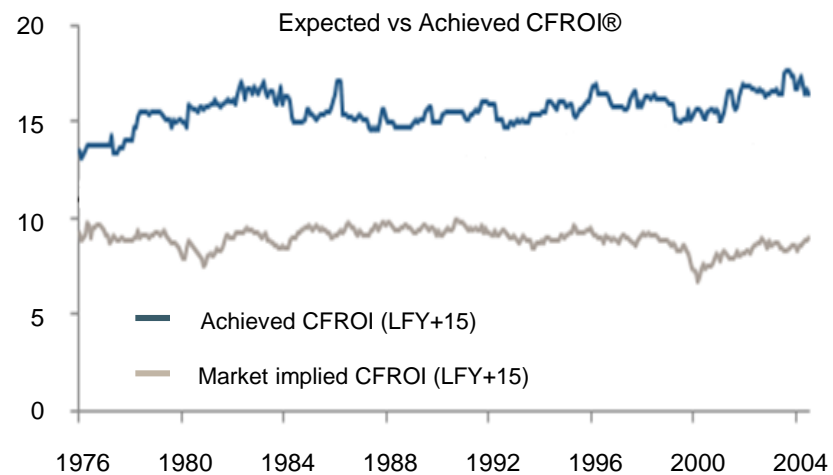


Corporate profitability is sticky: Companies tend to stay in the same quartile of CFROI (%) over a five year period:

- 63% of top quartile CFROI companies remain there
- 56% of bottom quartile CFROI companies remain there

Source: Credit Suisse HOLT as at December, 2024.

Valuation / structural return persistence

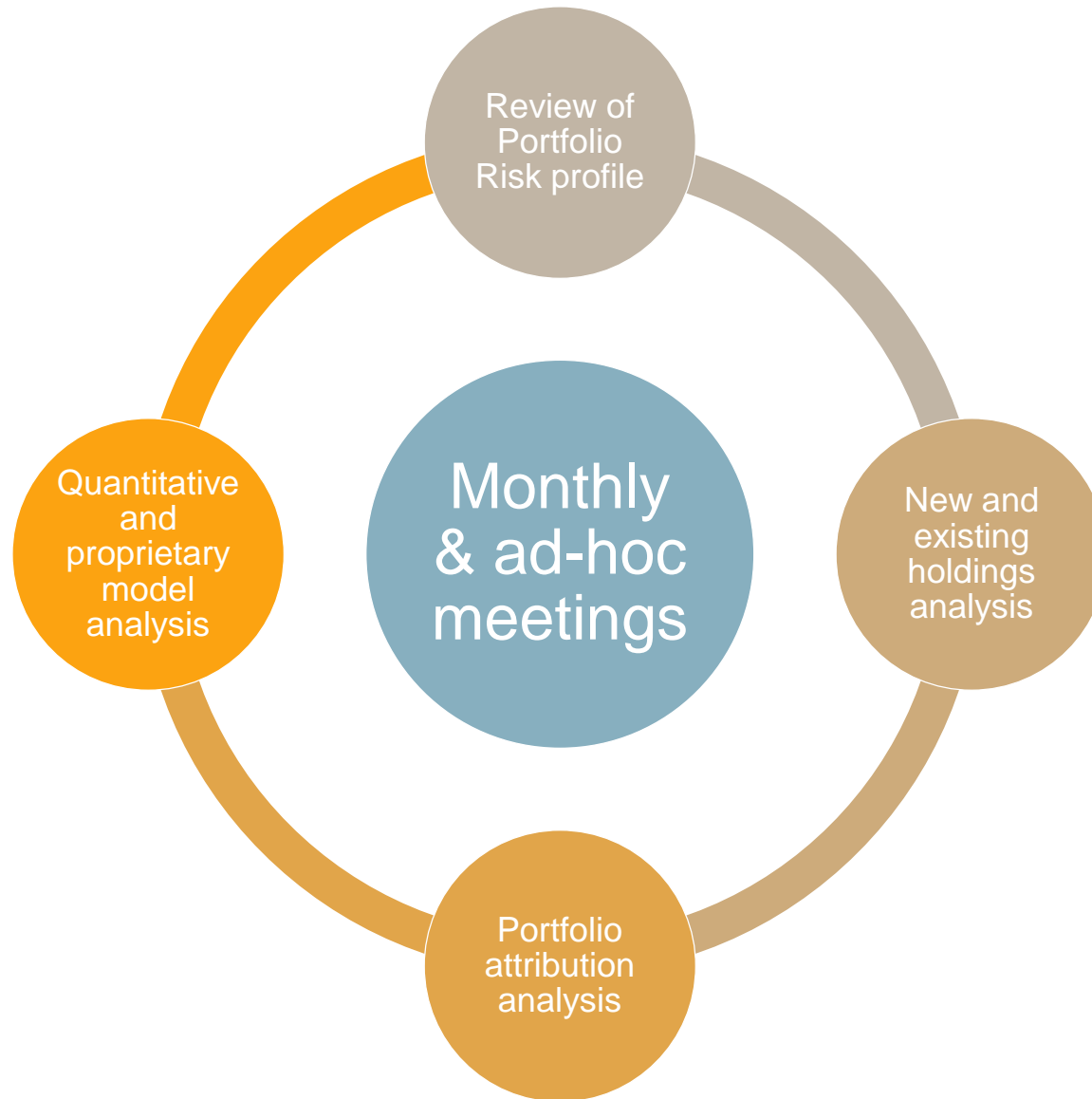


- By year 15, a gap of 500-600 bps opens up between market expectation and actual CFROI
- Result: under appreciation of intrinsic value between 15% - 40%

Source: Credit Suisse HOLT. Study conducted 2025
US Quality stocks (eCAPs), minimum market cap +\$250m, median CFROI 15%

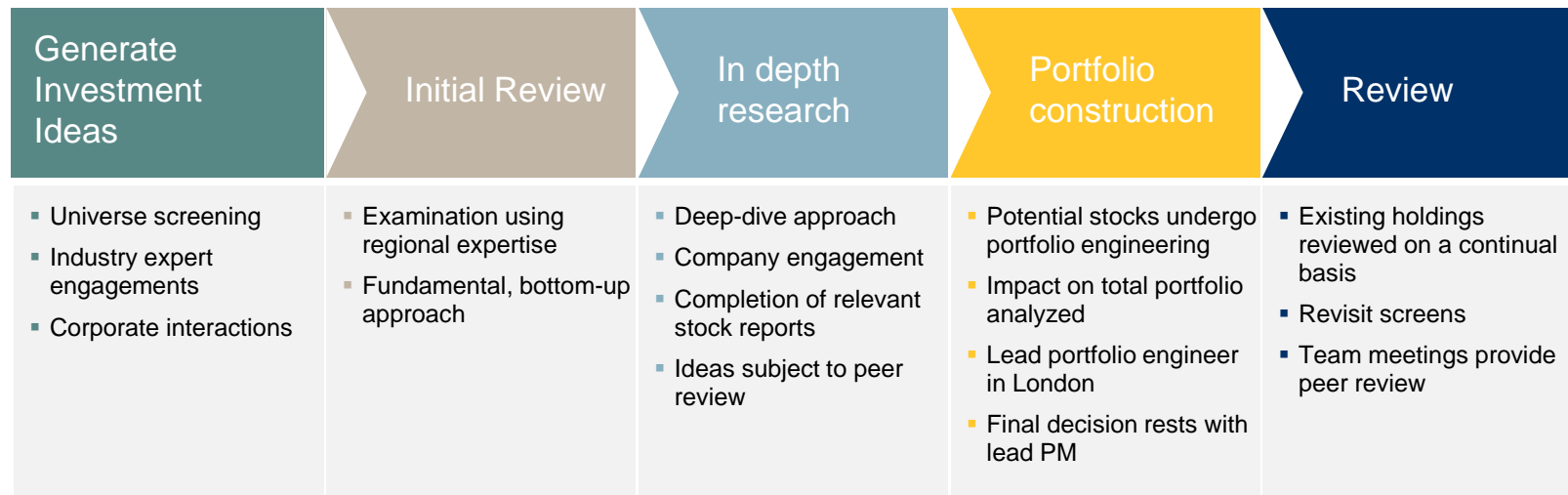
Team interaction

Frequent interaction with conjoined portfolio analysis



Investment process

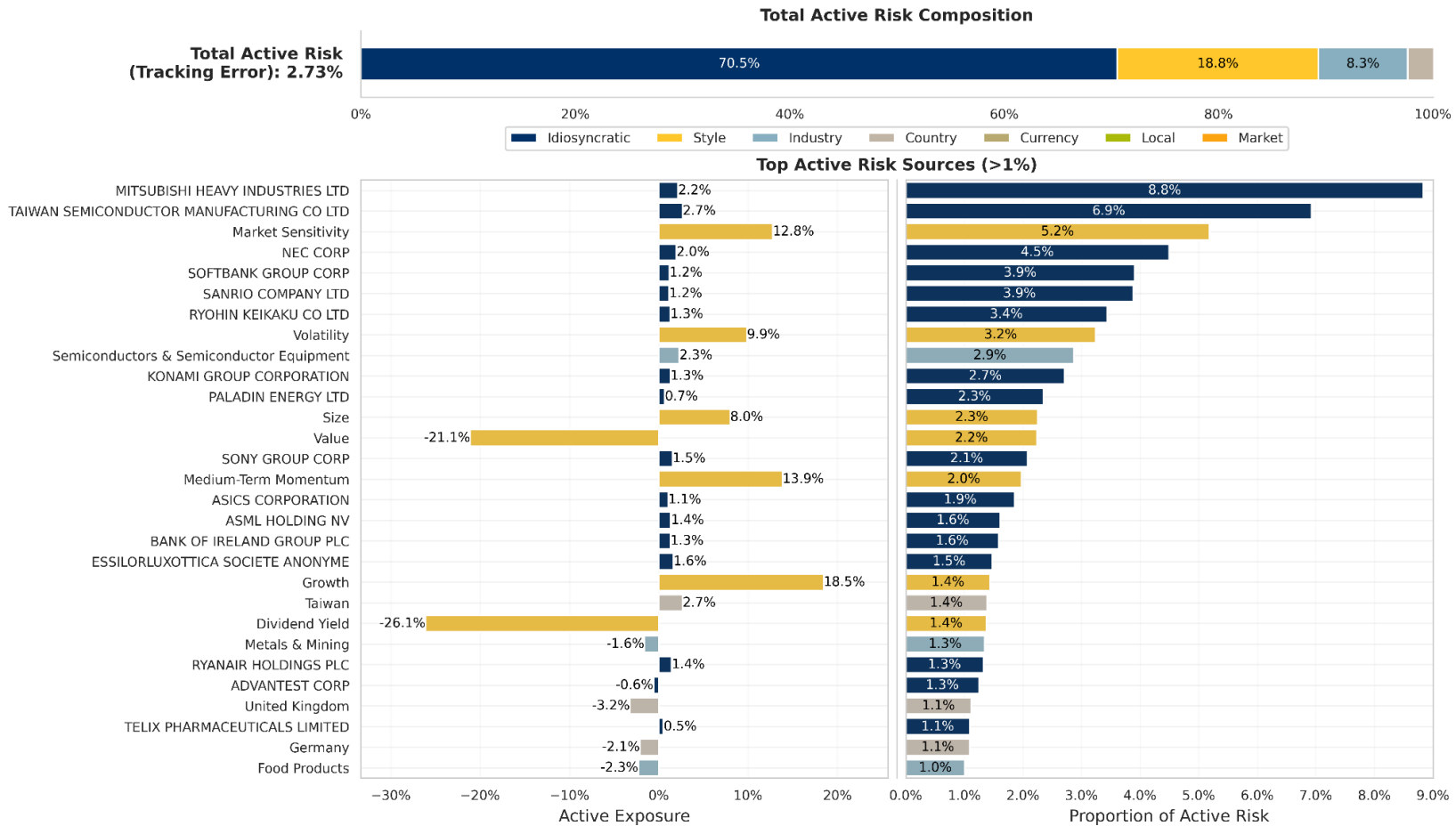
Disciplined and repeatable



Risk management

Managing total portfolio risk

RBC International Equity Fund Vs. MSCI EAFE Net Index – Axioma GMH V4 Factor Risk Profile



As at 30.09.2025. Source: RBC GAM, Axioma GMH Fundamental Risk Model. Not a recommendation to buy or sell any specific security.

Portfolio Characteristics

Focus on profitability and long-term compounding

Portfolio characteristics

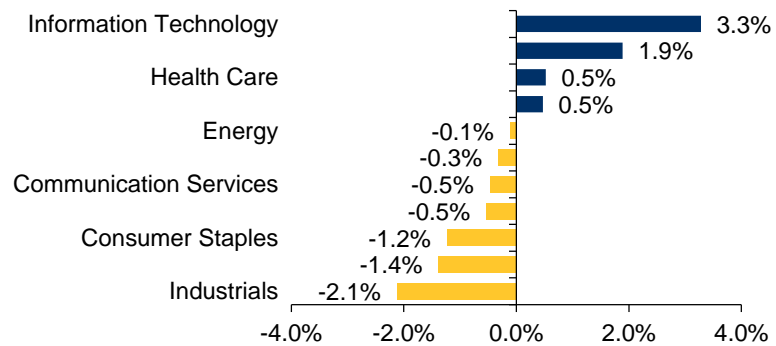
| | Portfolio | Benchmark |
|----------------------------------|------------|-----------|
| Fundamentals | | |
| Net profit margin | 11.8% | 8.1% |
| Asset utilization | 48.8% | 50.4% |
| Sales growth (5yr) | 10.0% | 7.4% |
| Return on equity | 15.1% | 11.3% |
| Return on assets | 1.8% | 1.4% |
| Trailing EPS growth (5yr) | 20.9% | 16.9% |
| Total debt to equity | 1.5 | 1.6 |
| Dividend growth (5yr) | 10.5% | 9.0% |
| Valuation | | |
| Price to book | 3.0 | 2.1 |
| Trailing price to earnings | 19.8 | 18.8 |
| Forward price to earnings | 17.0 | 14.9 |
| Portfolio statistics | | |
| Weighted average market cap (bn) | US\$ 147.6 | US\$ 99.8 |
| Active share | 62.4% | - |
| Holdings (ex cash) | 92 | 693 |

Source: RBC GAM, Morningstar. Portfolio characteristics are as of September 30, 2025. Benchmark is the MSCI EAFE Index. Portfolio characteristics are subject to change. Right chart reflects series O performance, gross of fees as of September 30, 2025, in Canadian dollars.

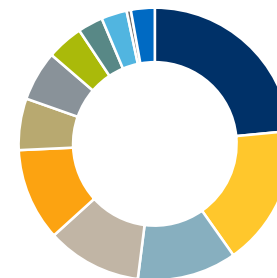
Portfolio characteristics

Reflective of philosophy and bottom-up stock selection

Relative sector weights

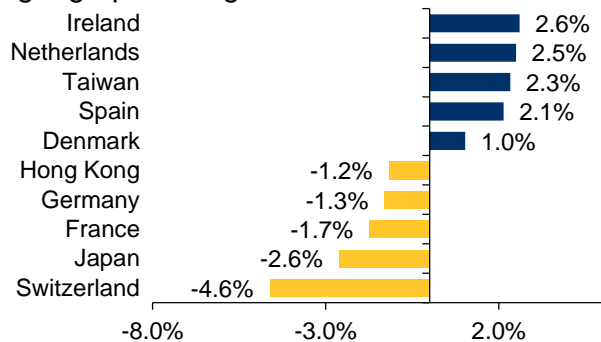


Sector allocation

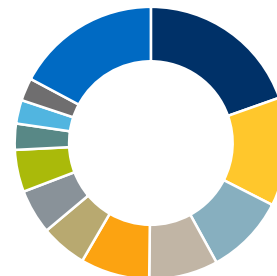


| Sector | Portfolio (%) |
|------------------------|---------------|
| Financials | 23.5 |
| Industrials | 16.7 |
| Consumer Discretionary | 11.8 |
| Information Technology | 11.3 |
| Health Care | 11.0 |
| Consumer Staples | 6.1 |
| Materials | 5.9 |
| Comm Services | 4.3 |
| Energy | 3.0 |
| Utilities | 3.0 |
| Real Estate | 0.5 |
| Cash | 2.8 |

Relative geographic weights



Geographic allocation



| Geography | Portfolio (%) |
|----------------|---------------|
| Japan | 19.6 |
| United Kingdom | 12.9 |
| France | 9.5 |
| Germany | 8.2 |
| Netherlands | 8.2 |
| Australia | 5.5 |
| Spain | 5.3 |
| Switzerland | 5.0 |
| Ireland | 3.1 |
| Cash | 2.8 |
| Denmark | 2.7 |
| Other | 17.2 |

As at 31.09.2025

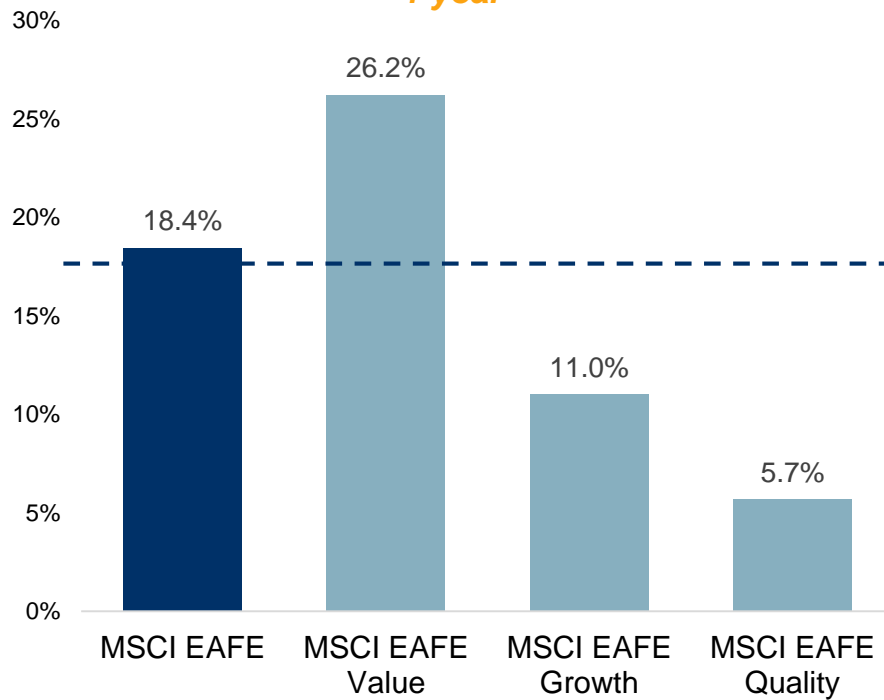
Source: RBC GAM, MSCI. The MSCI EAFE Net Index (CAD) is the benchmark for the strategy. 'Other' represents remaining geographies for Geographic allocation. Portfolio characteristics are subject to change.

Style rotation has been a headwind

Quality and Growth have lagged in 2025

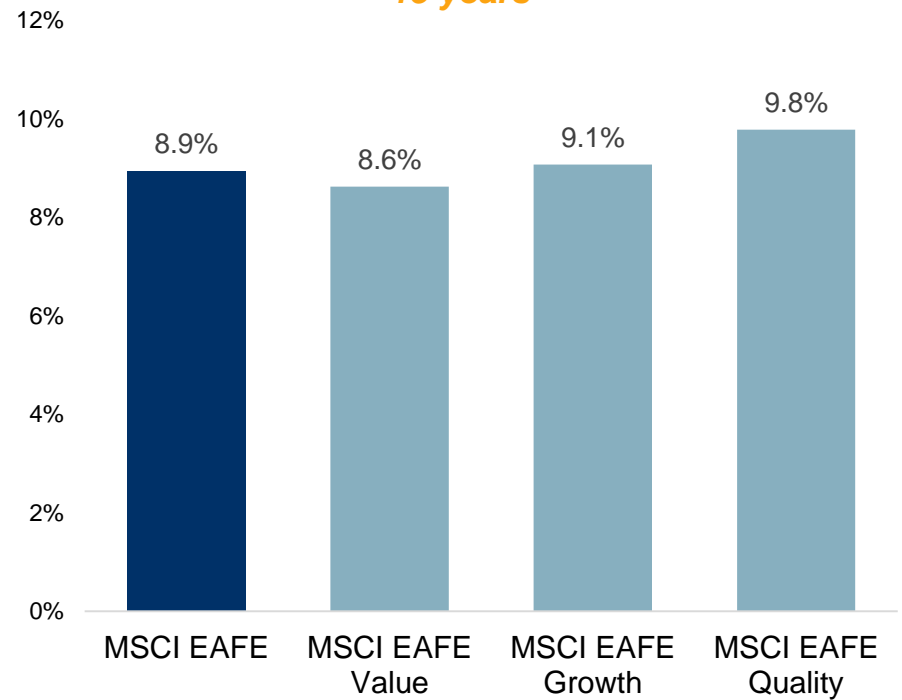
MSCI EAFE factor index returns

1 year



MSCI EAFE factor index returns

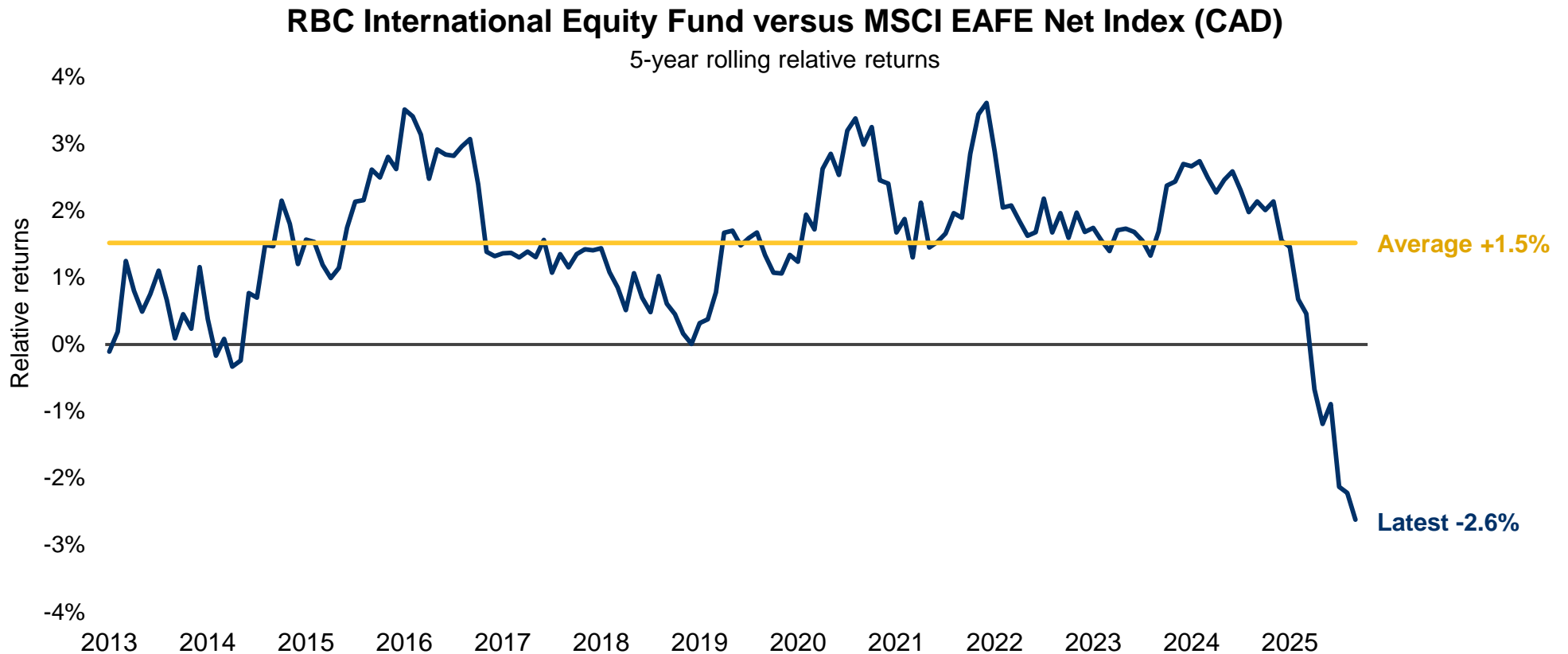
15 years



Source: RBC GAM, Morningstar Direct. Index net returns as of September 30, 2025, in Canadian dollars.

RBC International Equity Fund

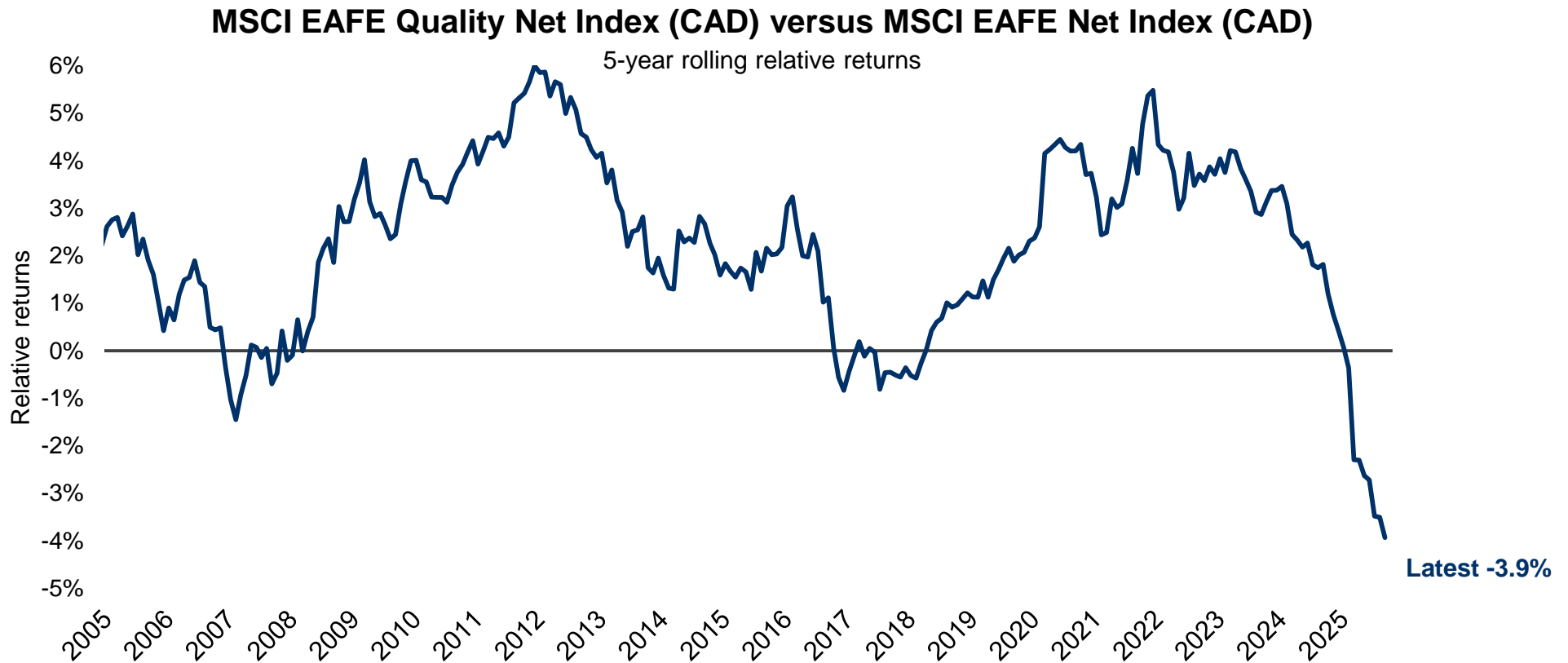
5-year rolling relative returns



Source: RBC GAM, Morningstar Direct. As of September 30, 2025. Reflects the RBC International Equity Fund series O performance, gross of management fees in Canadian dollars compared to the MSCI EAFE Net Index in Canadian dollars. Data starts on December 31, 2007, the inception date of the series O version of the RBC International Equity Fund in Canada.

MSCI EAFE Quality Index

5-year rolling relative returns



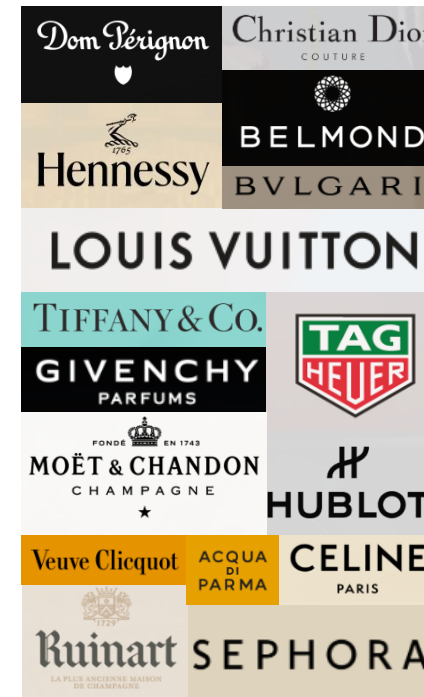
Source: RBC GAM, Morningstar Direct. As of September 30, 2025. Reflects the MSCI EAFE Quality Index compared to the MSCI EAFE Net Index in Canadian dollars. Data starts on January 1, 2000.

Stock analysis example: LVMH

French conglomerate owns the world's premier luxury brands

France-based, world's largest luxury conglomerate

- *Total number of brands: 75*
- *Total age of the brand portfolio: >8,900 years*
- *Average age of the brands in the portfolio: 118 years*
- *Oldest brand: 659 years (Domaine des Lambrays)*
- *Youngest brand: 1 year (SirDavis)*

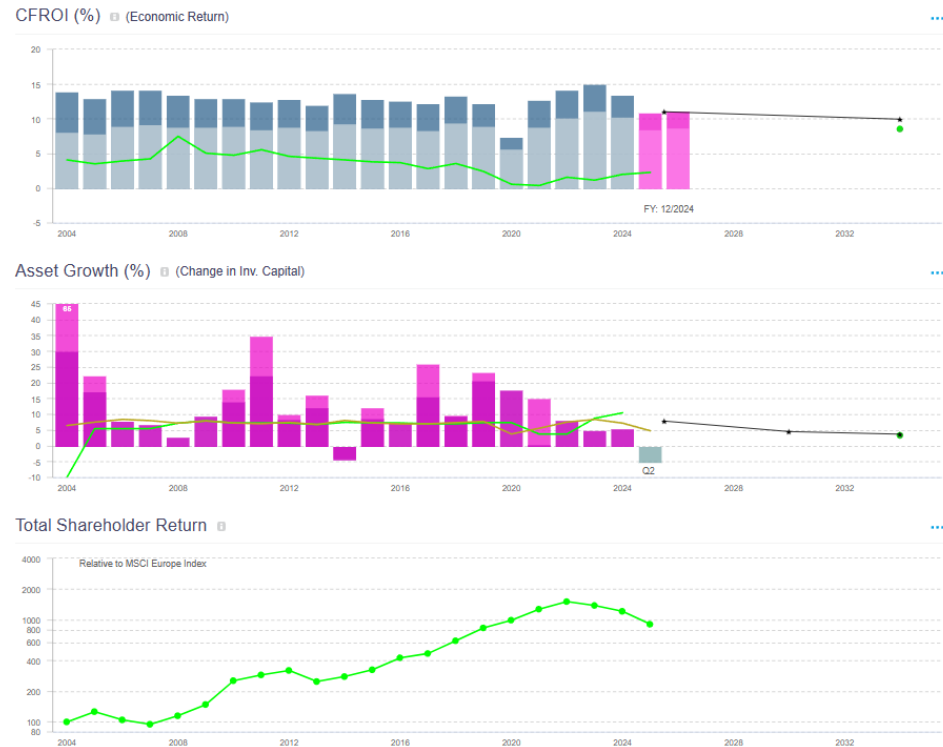


Source: Company, as of October 2025. For illustrative purposes only and not a recommendation to buy or sell any security

Stock analysis example: LVMH

Strong bottom-up fundamentals that fit with our Quality and Growth bias

- The portfolio is built to last decades, if not centuries.
- A desirable home for luxury brands to grow, further expanding its unparalleled portfolio of distinctive brands.
- Iconic brands attract new shoppers, from Emerging Markets, and more affluent generations.
- Unrivalled scale, reach and diversity enables consistent performance throughout the economic cycle.



Source: Credit Suisse HOLT, as of October 2025. For illustrative purposes only and not a recommendation to buy or sell any security

RBC Global Asset Management
PH&N Institutional

Economic Outlook and Capital Markets Update



Key themes

Q3 2025



Markets & Economy

- Global economy has been resilient in the face U.S. protectionist policies; labour market has begun to soften
- Both BoC, Fed resumed cutting cycle, lowering policy rates by 0.25% to 2.5% and 4.00% - 4.25% respectively
- Short-, mid-term GoC yields declined while longer-term yields rose, resulting in a steepening of the curve
- Equity returns driven by growing confidence that worst-case economic scenarios appear less likely.



Portfolio Performance & Positioning

- **Absolute returns:** Positive returns as broad index yields declined alongside tighter credit spreads.
- **Relative returns:** Outperformance driven primarily by contributions from credit and liquidity strategies.
- **Equities:** Despite strong absolute returns, this quarter has been tough landscape for active management. Gold (Canada), value-factor (EAFE and EME) and AI capex trend (U.S) were the dominant forces.



Outlook

- A deterioration in trade relations, alongside geopolitical tensions and growing government indebtedness pose the greatest downside risks for the global economy over the short-run
- We believe odds of a recession are unlikely; our base case calls for modest economic growth, subdued inflation
- Yields expected to remain volatile as we navigate the uncertain economic and market environment

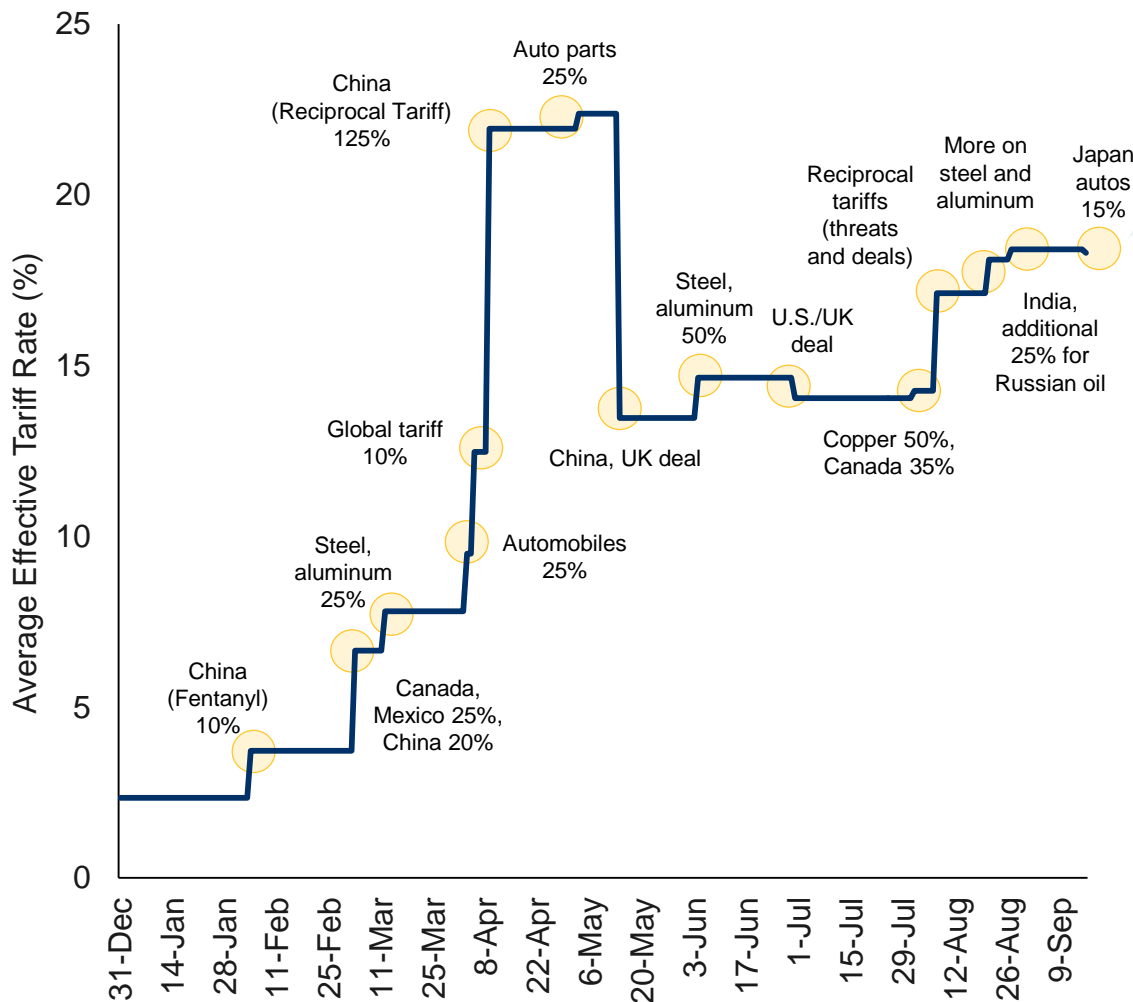
As of September 30, 2025

RBC Global Asset Management
PH&N Institutional

Tick up in average U.S. tariff rate following August 1st deadline

Canada has avoided a worst-case scenario so far, but uncertainty remains

Evolution of average U.S. tariff rate YTD



Current Canadian backdrop

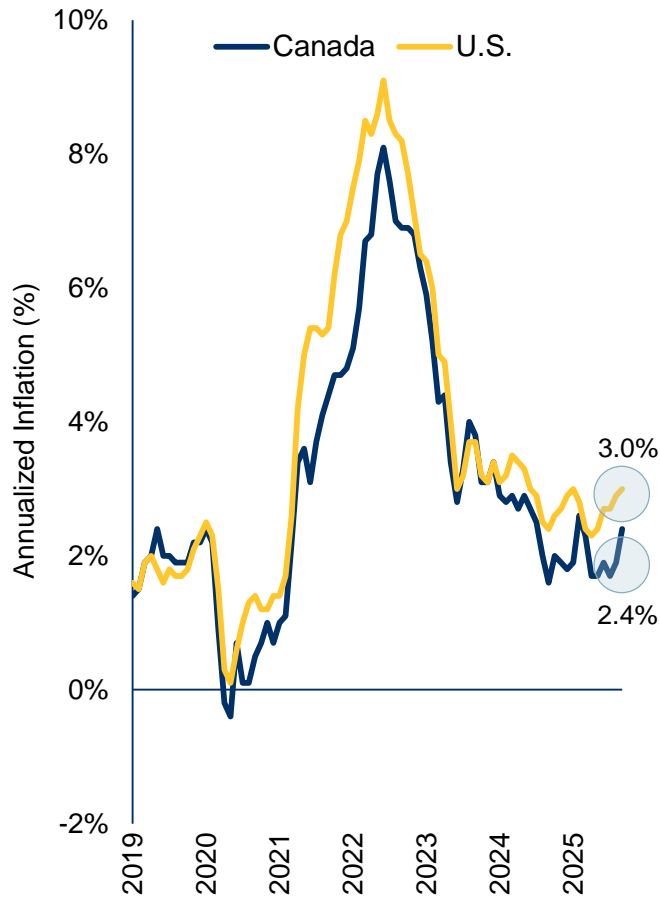
- Canadian economic growth vulnerable to U.S. tariffs, activity constrained by persistent uncertainty
- Increase in blanket tariff on all Canadian (non-CUSMA) goods from 25% to 35%
- Sector-specific tariffs currently in place:
 - **Energy:** 10% tariff on non-CUSMA energy products
 - **Auto manufacturing:** 25% tariff on cars and trucks not built in the U.S., regardless of CUSMA compliance
 - **Steel, aluminum & copper:** 50% tariff, regardless of CUSMA compliance
- Our base-case is for additional sectoral levies, with potential for average tariff rate on Canadian exports to increase 10%.
- Canada has made progress in addressing key issues raised by U.S. administration, including defense spending, border security, immigration policies and the digital services tax

Source: RBC GAM, Bloomberg, Macrobond. Last updated September 30, 2025.

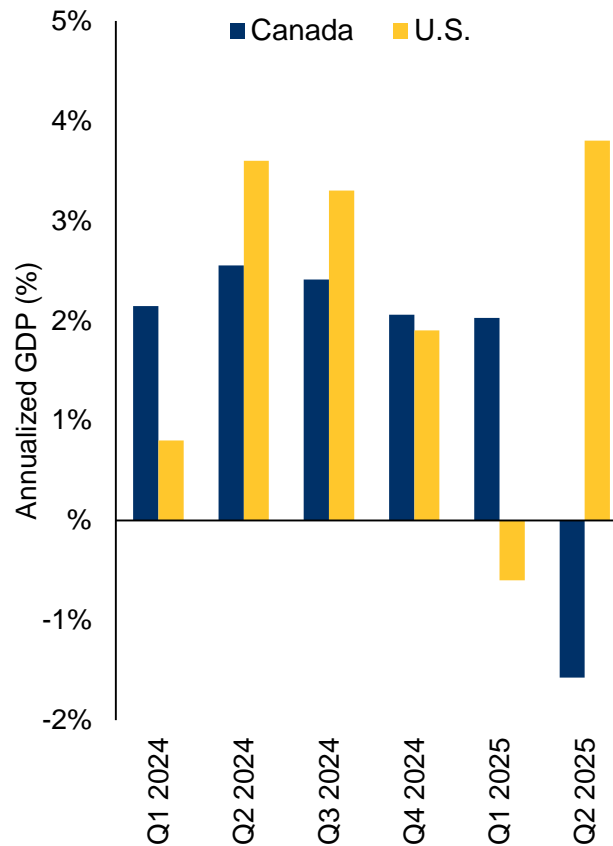
Trade tensions weighing on Canadian economy

Inflation contained, growth and labour market weakening

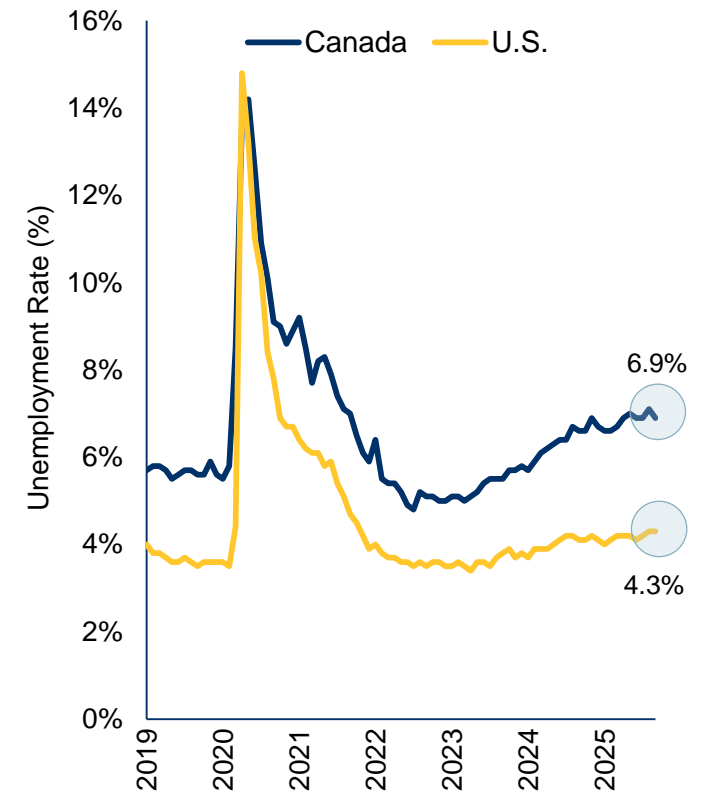
Headline Inflation



GDP



Unemployment Rate

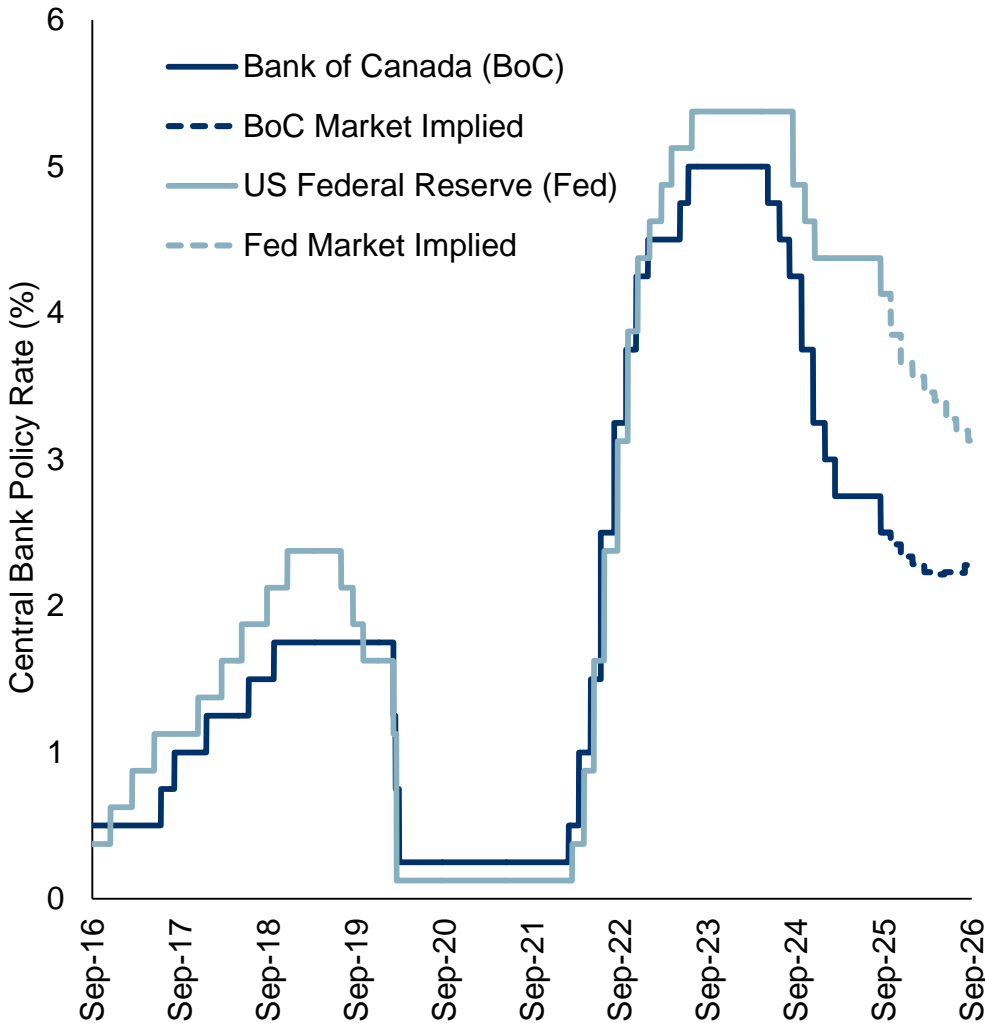


Source: Bloomberg

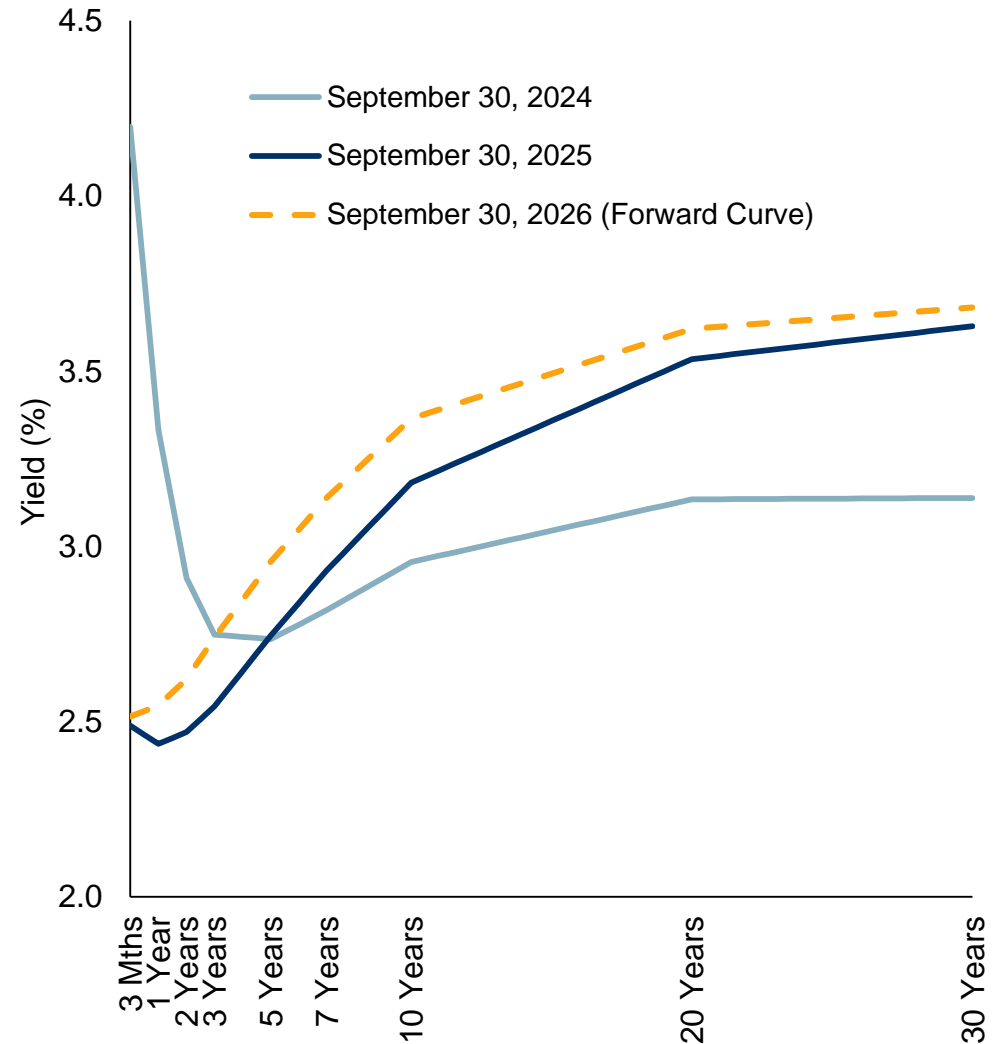
Central banks proceeding with caution

Bond market is pricing slightly higher yields over the next 12 months

Central bank policy rate & market expectations



Government of Canada yield curve

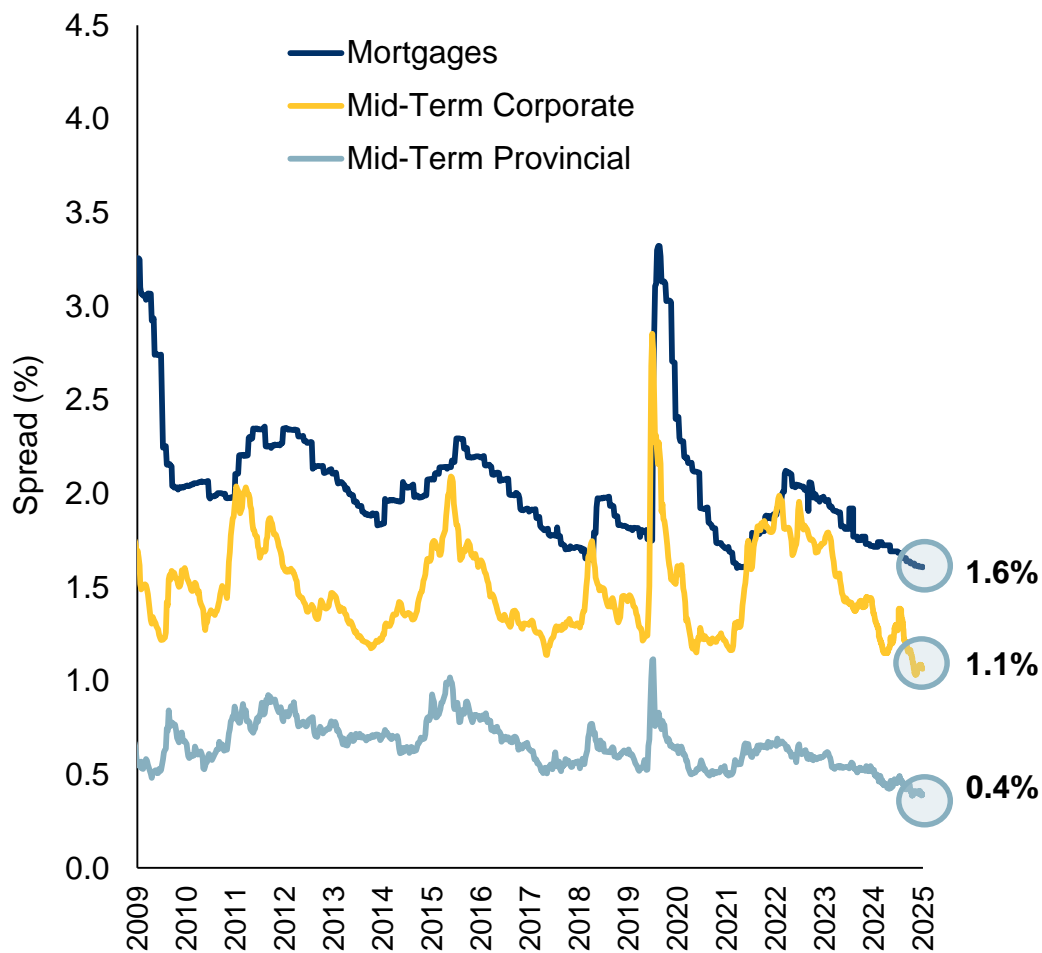


*Any forecast, projection or target where provided is indicative only and is not guaranteed in any way. PH&N Institutional accepts no liability for any failure to meet such forecast or target. Source: RBC GAM, Bloomberg. Government of Canada yield curve as of June 30, 2025. Central bank policy rate & market expectations as of September 30, 2025.

Credit spreads are near post GFC lows

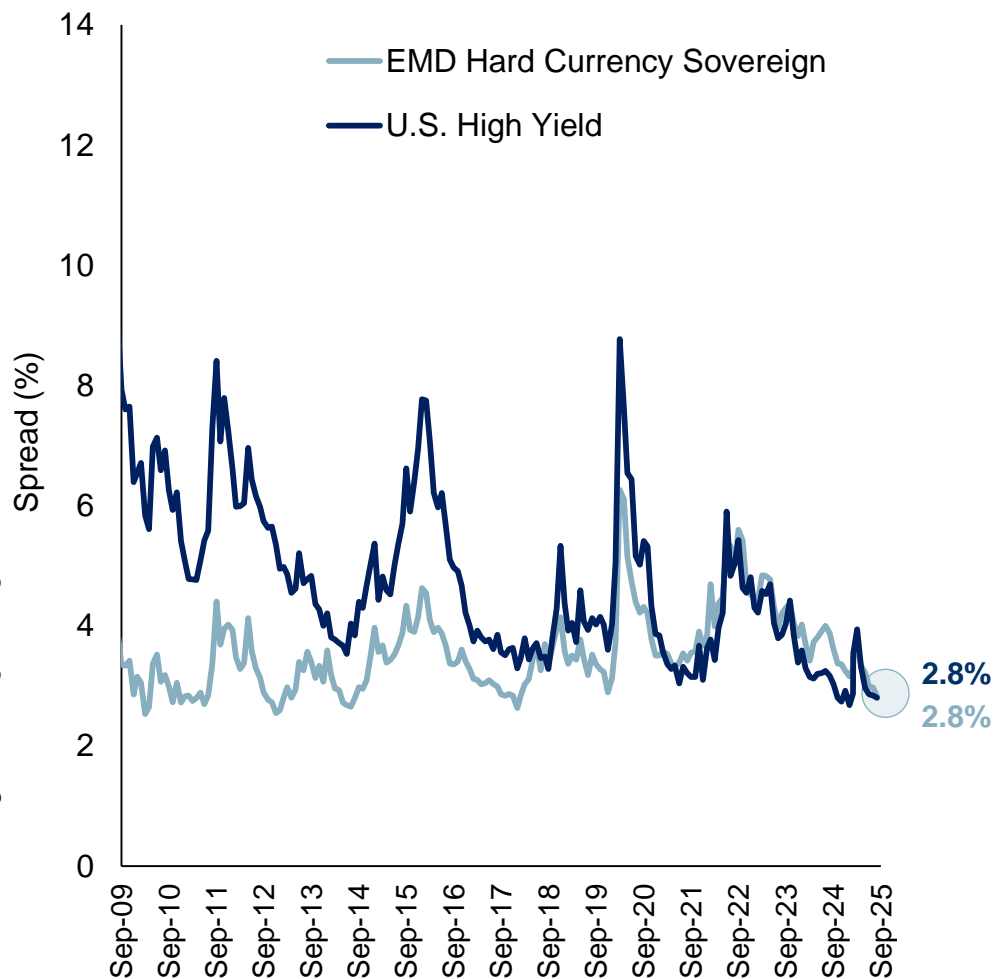
Continue to proceed with caution given elevated levels of uncertainties

Canadian credit spreads



* Mortgages in the PH&N Mortgage Pension Trust
Source: FTSE Global Debt Capital Markets Inc., RBC GAM (BondLab).

EMD and U.S. high yield spreads

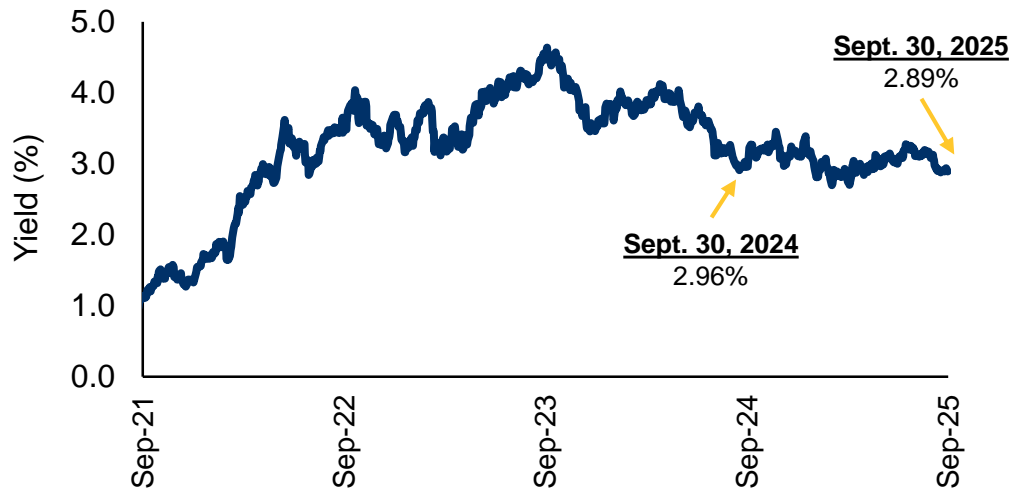


Source: Bloomberg. US High Yield performance represented by ICE BofA Merrill Lynch US High Yield index; Hard Currency EMD represented by the JP Morgan EMBI Global Diversified Index. Source: JP Morgan

Bond market review

GoC bond yields decreased slightly, credit spreads tightened over the past year

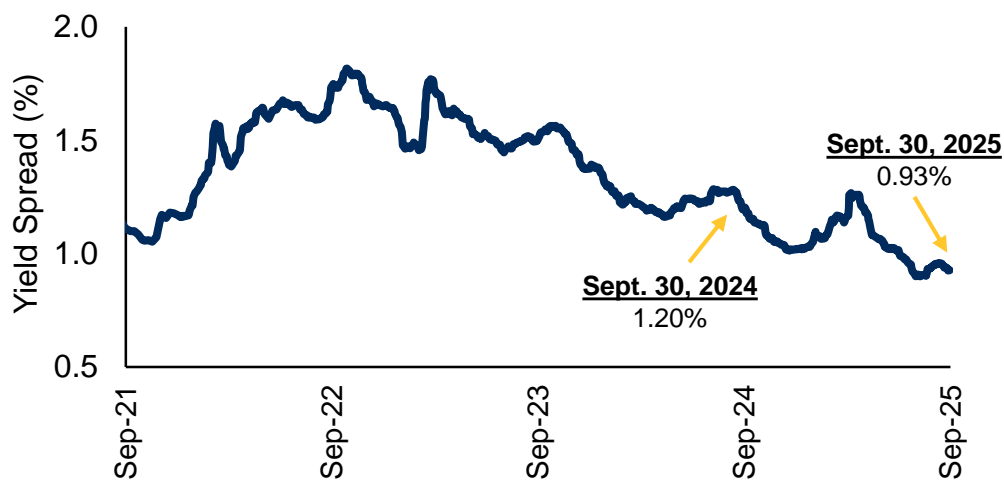
FTSE Canada Federal Bond Index yields



Total returns as of Sept 30, 2025 (%)

| | 3 mo | 1 yr | 4 yr |
|--------------------------------|-------------|-------------|-------------|
| Short Term Overall Bond Index* | 1.32 | 4.21 | 2.35 |
| Universe Bond Index* | 1.51 | 2.93 | 0.65 |
| Long Term Overall Bond Index* | 1.20 | -0.17 | -2.18 |

FTSE Universe Corporate Bond OAS**



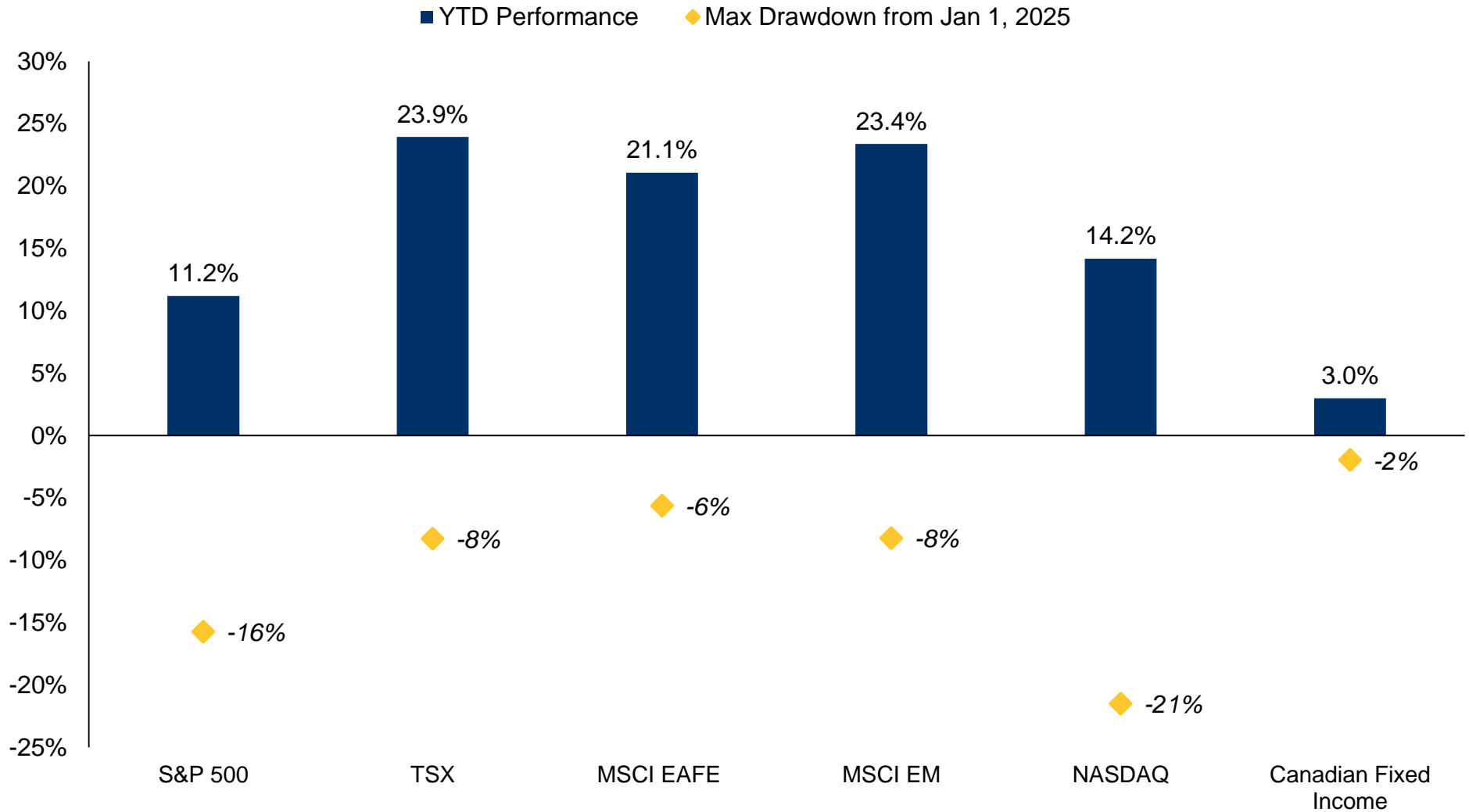
| Sector | 3 mo | 1 yr | 4 yr |
|------------------------------------|------|------|------|
| Mid Term Overall Bond Index | | | |
| Canada | 1.80 | 2.79 | 0.22 |
| Provincial | 2.17 | 4.61 | 1.48 |
| Corporate | 2.62 | 6.44 | 2.74 |

Source: RBC GAM, FTSE Global Debt Capital Markets Inc.

* Representative components of the FTSE Canada bond indices. ** Option adjusted spread.

So far in 2025

Indices have rebounded from their Q1 lows



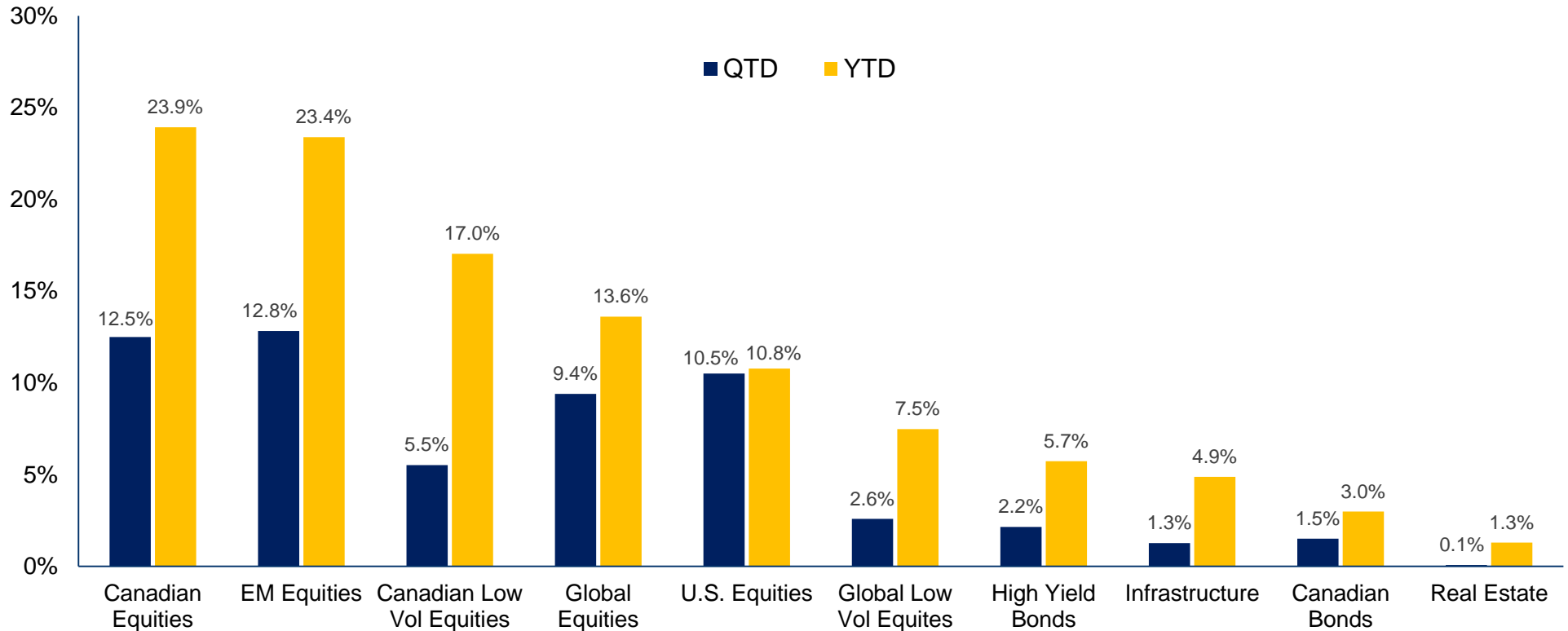
Max Drawdown represents the largest drawdown from the value of the index on January 1, 2025 until September 30, 2025.

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

As of September 30, 2025

Asset Class Performance as of Sept 30, 2025

Equities leading, fixed income & private market returns muted



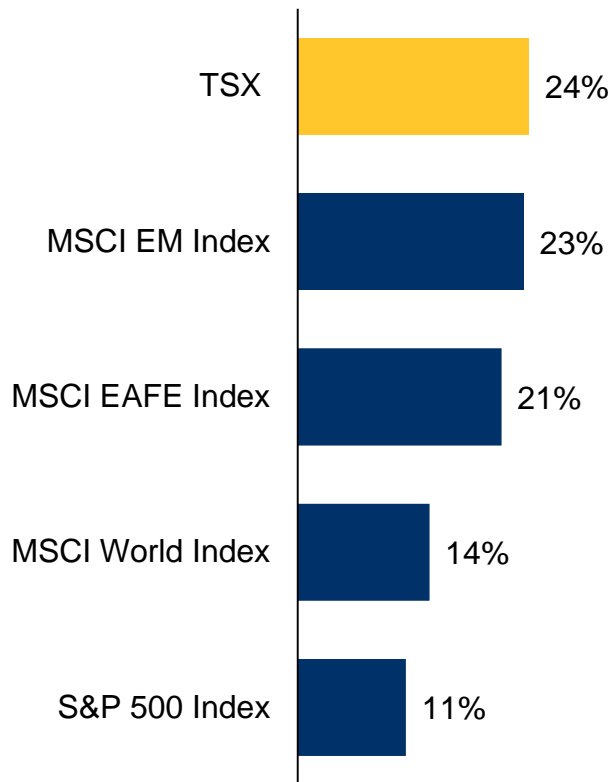
As of September 30, 2025. All returns in Canadian Dollars.

Canadian Equities: S&P/TSX Capped Composite Index, U.S. Equities: S&P 500 Net Total Return Index (CAD), Global Equities: MSCI World Total Return Net Index (CAD), EM Equities: MSCI Emerging Markets Total Return Net Index (CAD), Canadian Low Vol Equities: MSCI Canada Minimum Volatility Total Return Net Index (CAD), Global Low Vol Equities: MSCI World Minimum Volatility Total Return Net Index (CAD), Canadian Bonds: FTSE Canada Universe Bond Index, High Yield Bonds: ICE BofA Global High Yield Constrained Index (Hedged to CAD), Real Estate: MSCI/REALPAC Canada Annual Property Index (Standing Investments Only) TR (1 Month Lagged), Infrastructure: Canadian CPI (Non-Seasonally Adjusted) 1M Lag + 4% (Custom).

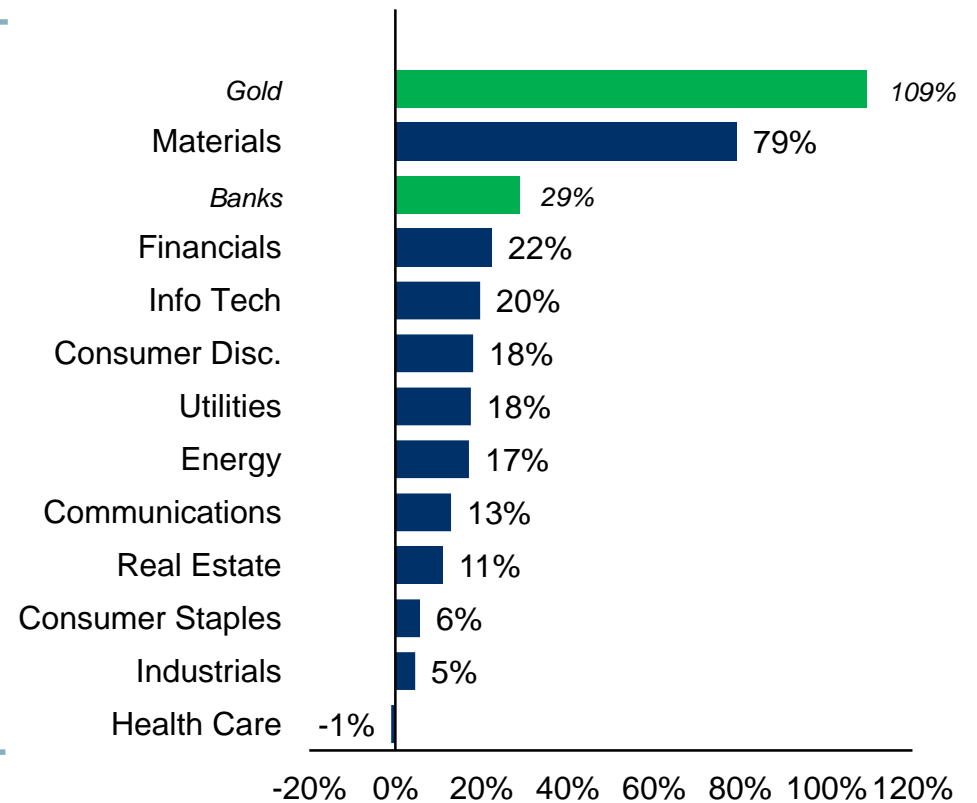
Proceed with caution? Golds key to TSX gains

TSX Golds lapped TSX IT by more than 5x YTD

Global Market Performance (C\$)
Year to Date



S&P/TSX Capped Composite Index Sector Performance
Year to Date

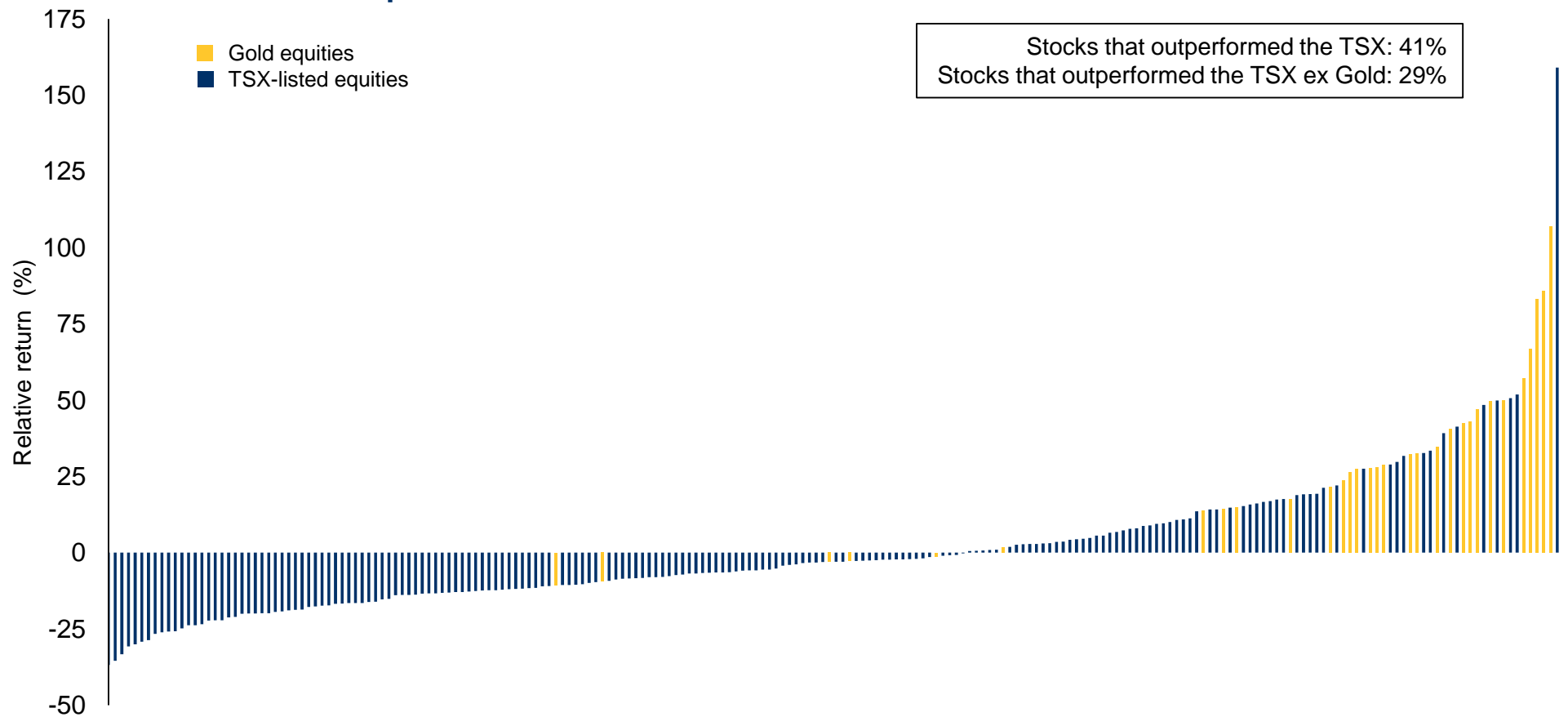


TSX = S&P/TSX Capped Composite Index
Source: RBC GAM, S&P
Note: All indices shown in Canadian dollars. As of September 30, 2025

Canadian equity market performance

Gold stocks contributed meaningfully to strong index return in Q3

Q3 individual stock performance relative to the TSX



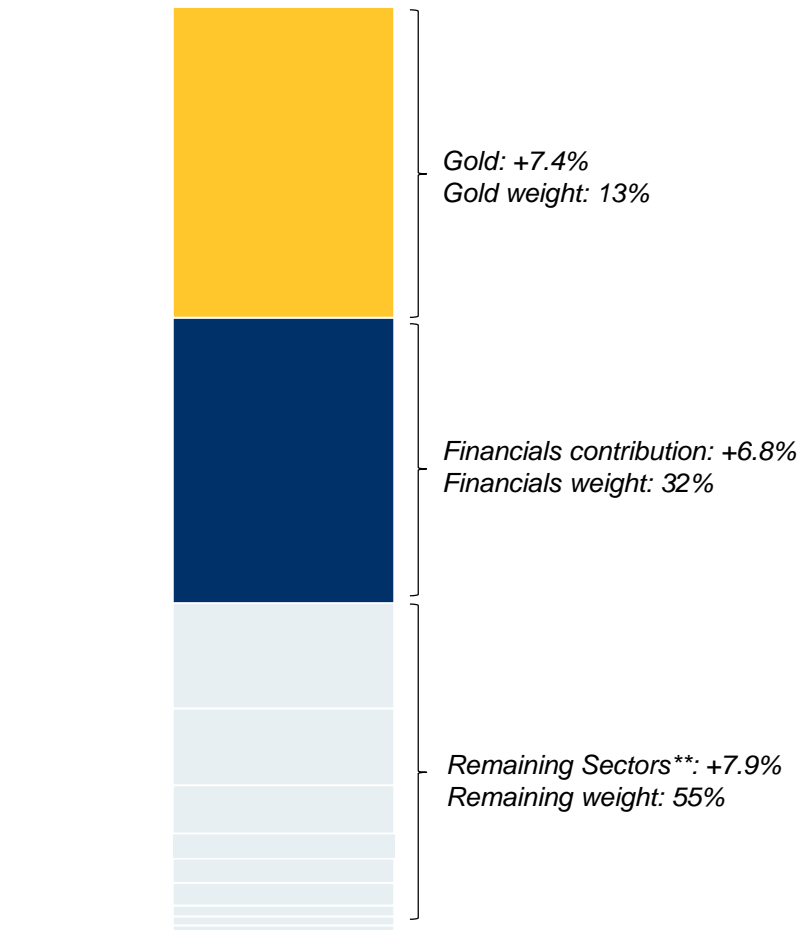
TSX = S&P/TSX Capped Composite Index
Source: RBC GAM
Note: All indices shown in Canadian dollars. As of September 30, 2025

TSX has been led by Financials and Gold stocks

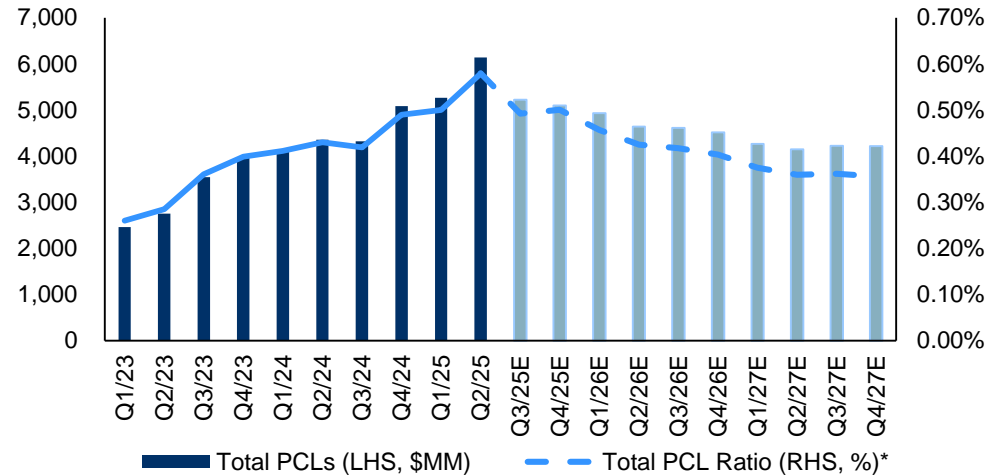
Gold prices have rallied significantly, and credit conditions expected to improve

YTD TSX Sector Contributions

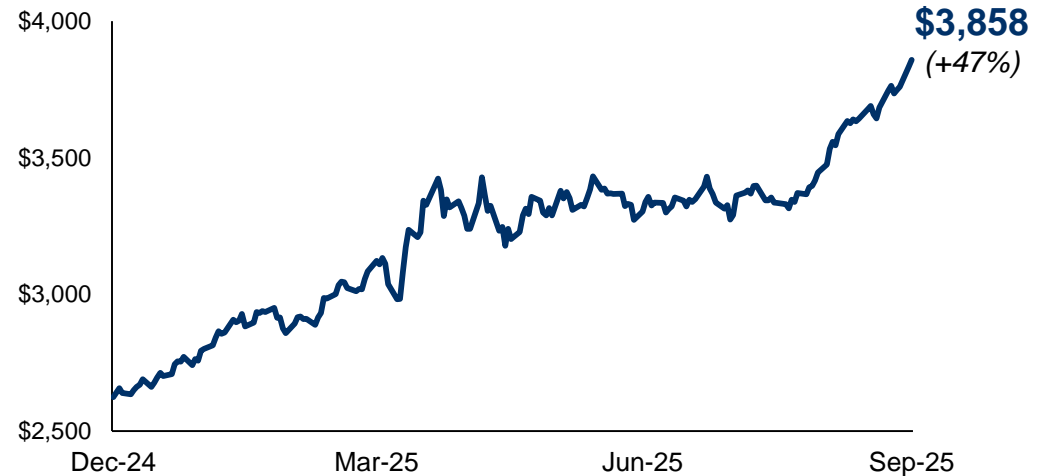
YTD TSX Return: +24%



Canadian Banks Total PCLs (\$MM) and Ratio (%)



Gold (US\$/Oz)



As of September 30, 2025.

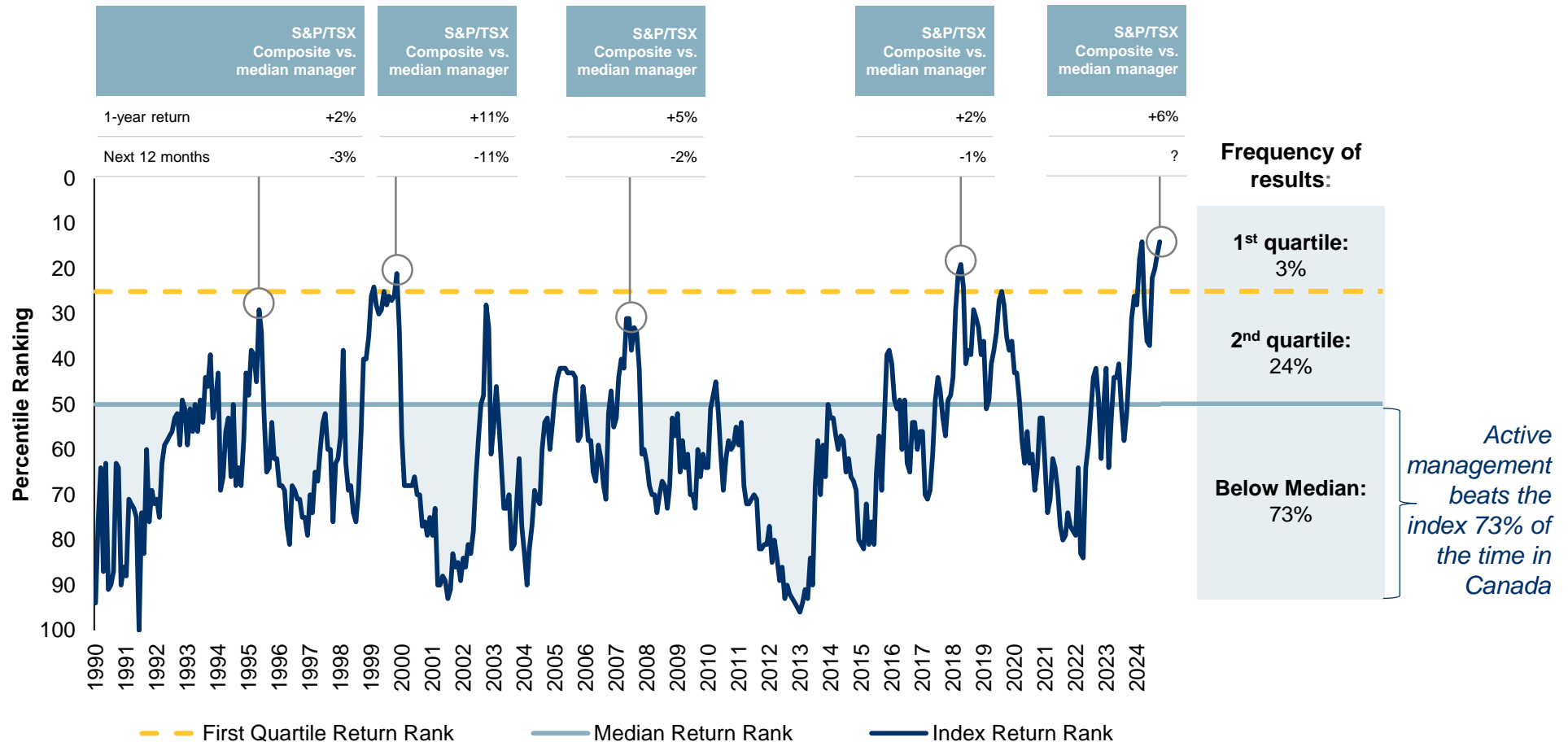
*As of June 30, 2025. Total PCL ratio calculated on aggregate basis. Banks included in PCL analysis: BMO, BNS, CM, NA, TD, RY

**Remaining Sector Contributions: Energy 2.5%, Technology 1.8%, Materials (ex-Gold) 1.2%, Utilities 0.6%, Industrials 0.6%, Discretionary 0.6%, Communications 0.3%, Staples 0.2%, Real Estate 0.2%, Health Care 0.0%

TSX: 1st quartile performer again

Challenging market environment for active managers

S&P/TSX Composite Index Performance vs. Canadian All Cap Universe
Monthly Rolling 1 Year Annual Returns (Dec 1990 – Sep 2025)



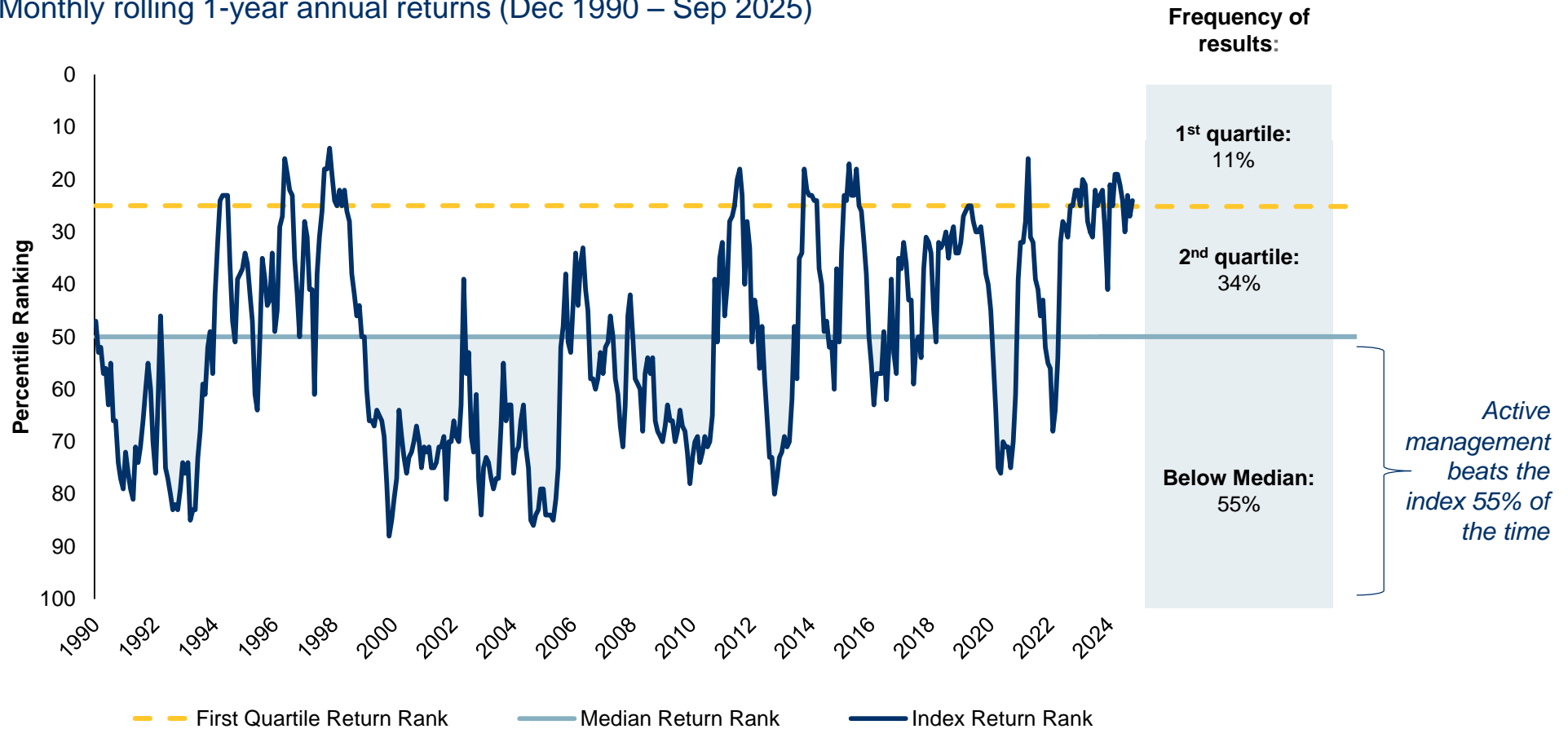
Source: eVestment. As of September 30, 2025. Data is calculated using 1-year returns on a rolling monthly basis.

Rankings change monthly. Return and risk rankings are simply the actual rank divided by the number of observations. eVestment Alliance and its affiliated entities (collectively, "eA") collect information directly from investment management firms and other sources believed to be reliable; however, eA does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. All categories not necessarily included; Totals may not equal 100%.

Active management in U.S. Equities

S&P 500 Index Performance vs. All U.S. Equity

Monthly rolling 1-year annual returns (Dec 1990 – Sep 2025)



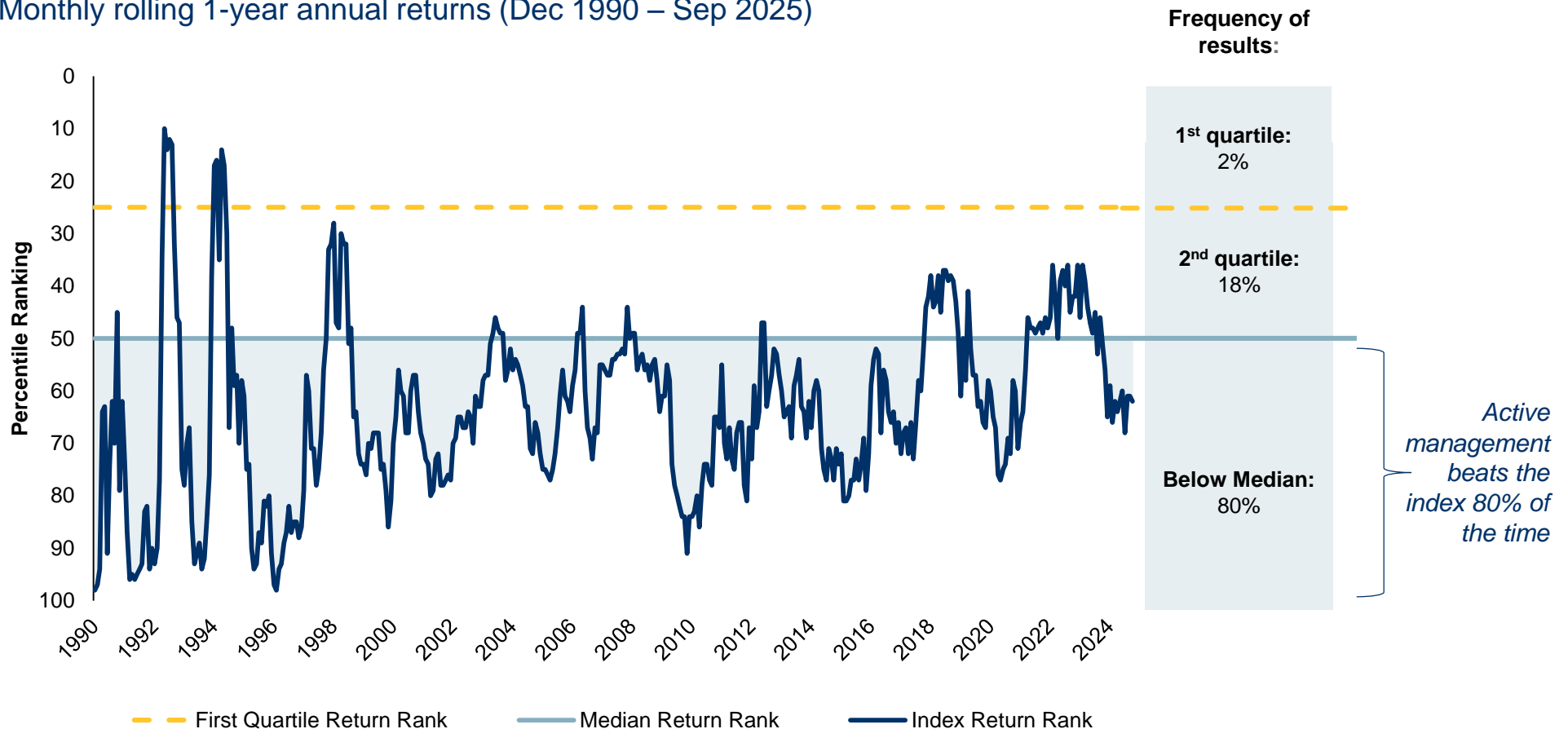
Source: eVestment, RBC GAM. As of September 30, 2025. Data is calculated using 1-year returns on a rolling monthly basis. Rankings change monthly. Return and risk rankings are simply the actual rank divided by the number of observations. eVestment Alliance and its affiliated entities (collectively, "eA") collect information directly from investment management firms and other sources believed to be reliable; however, eA does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. All categories not necessarily included; Totals may not equal 100%. Past performance is not indicative of future results.

Active management in international equities

Mean-reverting, but active managers have outperformed over the long-term

MSCI EAFE Index Performance vs. All EAFE Equity

Monthly rolling 1-year annual returns (Dec 1990 – Sep 2025)

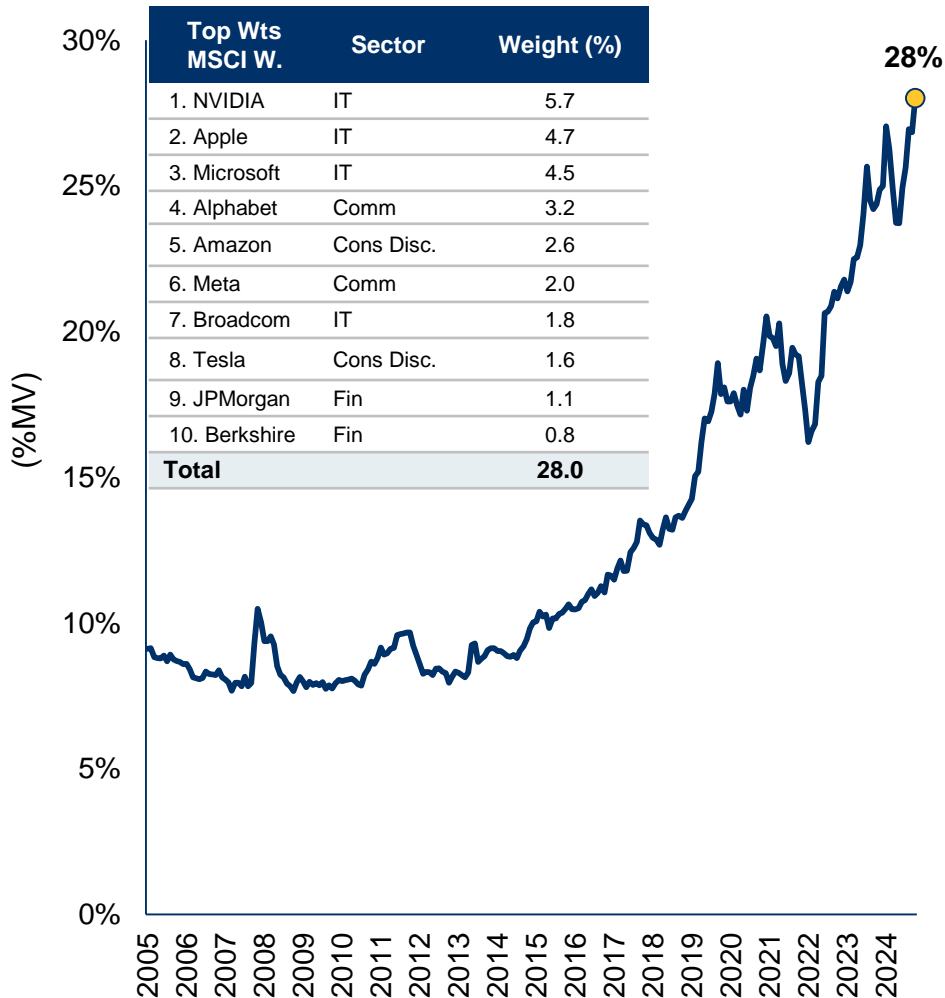


Source: eVestment, RBC GAM. As of September 30, 2025. Data is calculated using 1-year returns on a rolling monthly basis. Rankings change monthly. Return and risk rankings are simply the actual rank divided by the number of observations. eVestment Alliance and its affiliated entities (collectively, "eA") collect information directly from investment management firms and other sources believed to be reliable; however, eA does not guarantee or warrant the accuracy, timeliness, or completeness of the information provided and is not responsible for any errors or omissions. All categories not necessarily included; Totals may not equal 100%. Past performance is not indicative of future results.

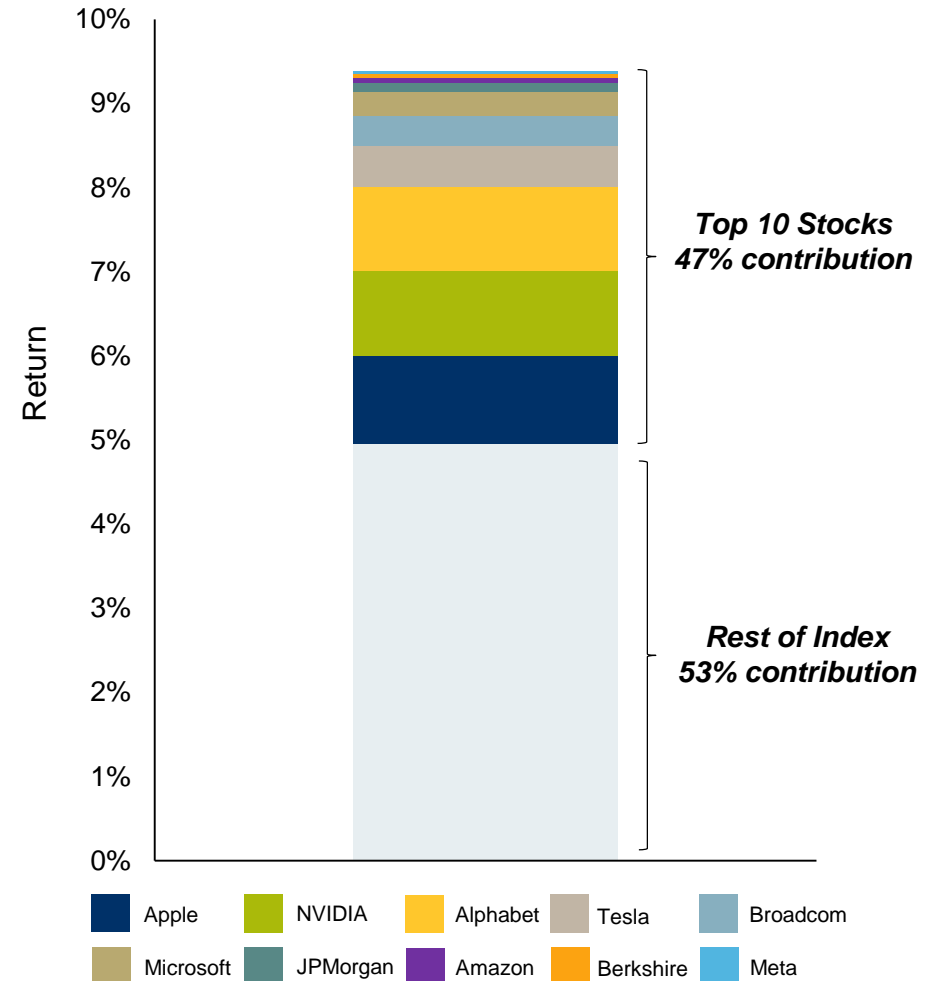
MSCI World: new highs in market concentration

Mega-cap US IT stock dominance.

Top 10 MSCI World Stocks Weight



MSCI World Return Contribution Breakdown (Q3 2025)



As of September 30, 2025
Source: RBC GAM

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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