PH&N Balanced Pension Trust

Pre-Fee Rates of Returns March 31, 2023 (%)

	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI
PH&N Balanced Pension Trust	4.26	-1.32	1.89	9.99	6.54	6.50	7.94	7.22[1]
*BPT Benchmark**	***5.02***	***-1.11***	***2.06***	***8.66***	***5.62***	***5.79***	***6.70***	*6.74*
Relative Performance	**-0.76**	**-0.21**	**-0.17**	**+1.33**	**+0.92**	**+0.71**	**+1.24**	+0.48
Total Cash & Equivalents	1.10	2.97	1.65	1.19	1.45	1.54	1.24	
FTSE Canada 30-Day T-Bill Index	*1.09*	*2.76*	*1.43*	*1.01*	*1.19*	*1.24*	*0.98*	
Total Bonds	3.29	-2.42	-3.12	-0.66	0.63	1.54	2.40	
PH&N Bond Fund	3.32	-1.60	-2.83	-0.84	0.53	1.47	2.39	
PH&N High Yield Bond Fund	1.39	-0.20	0.30	6.23	3.67	3.92	5.06	
RBC Global Bond Fund**	3.29	-5.80	-4.94	-2.88	-0.44	0.52	2.46	
FTSE Canada Universe Bond Index	*3.22*	*-2.01*	*-3.28*	*-1.67*	*-0.17*	*0.89*	*1.88*	
Total Real Estate	0.84	11.73	11.26	7.18	-	-	-	
RBC Canadian Core Real Estate	0.84	11.73	11.28	7.20	-	-	-	6.94[2]
Canadian CPI (Non-Seasonally Adjusted) 1-month lag + 400 bps	*1.29*	*9.25*	*9.47*	*7.99*	-	-	-	*7.75*
Total Canadian Equities	5.06	-3.23	8.09	19.81	10.37	9.88	9.15	
PH&N Canadian Equity Underlying Fund	4.88	-4.20	7.61	19.19	9.89	9.50	8.96	7.48
PH&N Canadian Equity Value Fund	3.95	-3.72	10.39	19.44	9.50	9.36	9.05	
PH&N Small Float Fund	8.51	4.39	4.85	21.17	13.00	11.73	12.71	
S&P/TSX Capped Composite Index	*4.55*	*-5.17*	*6.76*	*18.02*	*8.98*	*8.80*	*7.86*	
Total Global Equities	5.08	-1.03	1.65	14.01	8.30	7.93	12.96	
RBC Global Equity Focus Fund	2.77	-5.77	-0.93	12.82	8.30	8.87	-	12.64[3]
MSCI World Net Index (C$)	*7.60*	*0.74*	*5.00*	*14.46*	*9.39*	*9.06*	-	*10.34*
RBC QUBE Global Equity Fund	7.94	4.10	6.65	16.65	9.56	8.16	-	12.37[4]
MSCI World Net Index (C$)	*7.60*	*0.74*	*5.00*	*14.46*	*9.39*	*9.06*	-	*11.84*
RBC Global Equity Leaders Fund (C$)	3.74	-2.53		-	-	-	-	-0.27[5]
MSCI World Net Index (C$)	*7.60*	*0.74*					-	
RBC Emerging Markets Equity Fund	6.16	4.08	-4.40	8.77	3.12	3.10	7.59	
MSCI Emerging Markets Net Index (C$)	*3.83*	*-3.25*	*-7.68*	*6.03*	*1.12*	*0.06*	*4.96*	

*BPT Benchmark (November 2020-Present):1% FTSE Canada 30 Day TBill Index, 36% FTSE Canada Universe Bond Index, 3% Canada CPI (Non-Seasonally Adjusted) 1-month lag + 400 bps, 20% S&P/TSX Capped Composite Total Return Index, 36% MSCI World Total Return Net Index (CAD), 4% MSCI Emerging Markets Total Return Net Index.

Previous BPT Benchmarks: (October 2019-October 2020):1% FTSE Canada 30 Day TBill Index, 39% FTSE Canada Universe Bond Index, 20% S&P/TSX Capped Composite Total Return Index, 36% MSCI World Total Return Net Index (CAD), 4% MSCI Emerging Markets Total Return Net Index.
(October 2014-September 2019): 2% FTSE Canada 30-Day T-Bill, 38% FTSE Canada Universe Bond Index, 30% S&P/TSX Capped Composite Index, 26% MSCI World Net Index (CAD) and 4% MSCI Emerging Market Index Net (CAD).

(Inception-September 2014): 5% DEX 30-Day T-Bill, 35% DEX Universe Bond Index, 35% S&P/TSX Capped Composite Index, 25% MSCI World ex-Canada Index (CAD)
** The FTSE WGBI Index (CAD) Hedged Index is the benchmark for the fund. The FTSE Canada Universe Bond Index is shown for illustrative purposes only

.[1] Inception date: October 31, 2002; [2] Inception date: October 31, 2019;[3] Inception date: April 28, 2014; [4] Inception date: June 30, 2013; [5]Inception date: May 17, 2021

Series O performance. Periods less than one year are not annualized. Unless otherwise indicated, all returns cited in this report are expressed in Canadian dollar terms

Within the PH&N Balanced Pension Trust, we executed two asset mix shifts in Q1. Equity markets remained surprisingly resilient for much of the quarter despite the recent failures of some U.S. regional banks and Credit Suisse. However, while the broad-based equity indices are positive, there has been widespread dispersion within sectors, with gains in index-heavy Info Tech and Communication stocks offsetting large losses in other areas, such as within Financials and Energy. Credit spreads have also widened but, like equities, appear to not have fully priced in the negative macro backdrop. The full impact of central bank rate hikes is unlikely to be felt until later this year. Against this backdrop, our Asset Mix Committee believes that there will be better opportunities to add risk in future and has moved the portfolios closer to their neutral targets by eliminating our tactical equity overweight. It has also reduced risk within the equities sleeve by tactically overweighting developed markets relative to emerging markets.

The PH&N Balanced Pension Trust returned 4.26% over Q1, bringing the one-year return to -1.32%.

At the end of the quarter, the PH&N Balanced Pension Trust's asset weighting was as follows:

Portfolio Asset Mix as at March 31, 2023 (%)

	PH&N BPT	Benchmark
Cash & Equivalents	1.2	*1.0*
Bonds	34.5	36.0
PH&N Bond Fund	26.9	
PH&N High Yield Bond Fund	0.5	
RBC Global Bond Fund	7.1	
Real Estate	4.0	*3.0*
Canadian Equities	20.3	*20.0*
PH&N Canadian Equity Underlying Fund	13.2	
PH&N Canadian Equity Value Fund	5.0	
PH&N Small Float Fund	2.1	
Global Equities	40.0	*40.0*
RBC Global Equity Focus Fund	16.4	
RBC QUBE Global Equity Fund	14.5	
RBC Emerging Markets Equity Fund	3.8	
RBC Global Equity Leaders Fund	5.3	
Total Fund	**100.0**	***100.0***

Attribution of the one-year results is shown below:

PH&N Balanced Pension Trust Attribution – Total Fund One Year Ending March 31, 2023 (%)						
	Returns			Attribution		
	Fund	Benchmark	Relative Performance	Asset Allocation	Security Selection	Total Effect
Cash & Equivalents	2.97	2.76	0.21	0.00	0.00	0.01
Fixed Income	-2.42	-2.01	-0.41	0.02	-0.15	-0.13
Real Estate	11.73	9.25	2.48	0.05	0.08	0.13
Canadian Equity	-3.23	-5.17	1.94	0.01	0.40	0.41
Global Equity	-1.03	0.46	-1.49	0.01	-0.62	-0.61
Total	**-1.32**	**-1.11**	**-0.21**	**0.09**	**-0.29**	**-0.20**

Please note that the column totals may not add due to a compounding and interaction effect.

PH&N Bond Fund

The PH&N Bond Fund returned 3.32% in the first quarter and -1.60% over the past year, outperforming its benchmark over both periods.

Inflation continued to edge lower over the quarter, but will likely remain at elevated levels for some time to come. In light of this, central banks continued their efforts to suppress consumer demand by raising policy rates, albeit more modestly than in recent quarters. The Bank of Canada (BoC) increased its policy rate by 25 basis points (bps) over the quarter but signalled a conditional pause to allow time to evaluate the impact of tighter monetary policy. Yields were exceptionally volatile this quarter, but ultimately ended lower, while credit spreads widened as investors' risk appetites waned. Against this backdrop, bond market returns were positive, with the FTSE Canada Universe Bond Index returning 3.2%. The portfolio finished ahead of the benchmark for the quarter with contributions coming from interest rate anticipation and credit strategies.

In aggregate, tactical management of the portfolio's duration and yield curve positioning was a positive contributor to relative performance as we took advantage of the heightened yield volatility.

A small tactical position in U.S. Treasuries added slightly to performance. The spread differential versus similar-term government of Canada bonds fluctuated considerably over the quarter, but ultimately ended in line with where it began.

Exposure to provincial and government agency bonds detracted from relative returns as spreads widened.

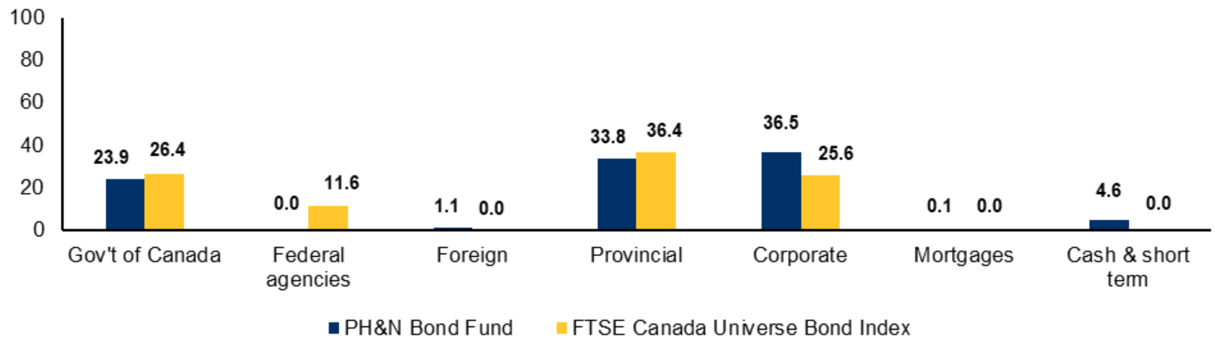
The portfolio's overweight to investment grade corporates was a positive driver of relative performance due to our high-quality bias, despite spreads widening.

Overall, the portfolio maintained its medium level of risk over the quarter; however, we remain focused on more liquid, high-quality areas of the market, as recession risk remains prevalent.

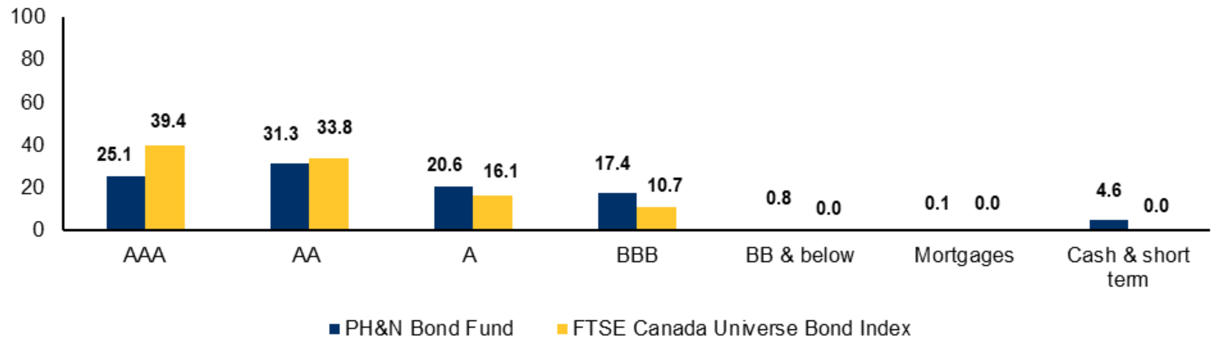
PH&N Bond Fund Portfolio Structure as of March 31, 2023

Fund Characteristics	Modified Duration (Yrs)	Term to Maturity (Yrs)	Yield to Maturity (%)
PH&N Bond Fund	7.40	10.51	4.14
FTSE Canada Universe Bond Index	*7.31*	*10.06*	*3.95*

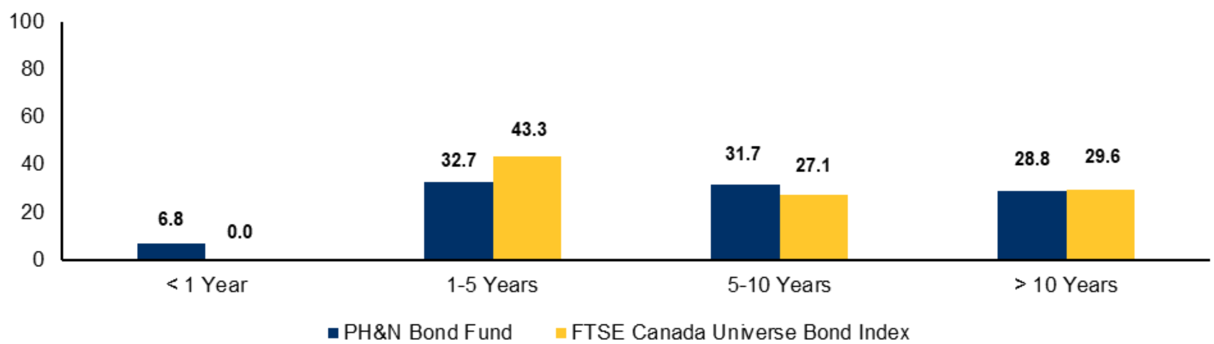
Issuer Analysis (%)



Rating Analysis* (%)



Maturity Analysis (%)



* Current ratings based on average across rating agencies (DBRS, Moody's, S&P) where available. Ratings at the time of purchase may differ. Totals may not add to 100% due to rounding.

PH&N High Yield Bond Fund

The PH&N High Yield Bond Fund returned 1.39% in the first quarter and -0.20% over the past year, underperforming its benchmark over the quarter but outperforming over the year.

Despite recessionary fears and sharp market volatility, high yield spreads tightened over the quarter, falling from 481 basis points (bps) on December 31 to 458 bps on March 31.

Inflation continues to remain above central bank targets, but recent market volatility suggests there are potential unintended impacts of continued monetary policy tightening.

The U.S. Federal Reserve (the “Fed”) hiked its federal funds rate by 25 bps in February and in March, increasing the target range to 4.75–5%. However, the market is now pricing in a terminal rate of 5% in the U.S., with rate cuts expected to start in the second half of 2023.

Issuance in the high yield market began 2023 strong but slowed over the course of the first quarter.

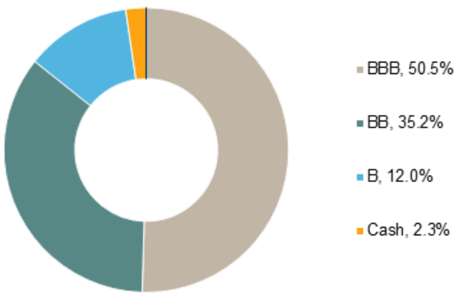
Corporate earnings estimates have been gradually lowered over the past year and the latest consensus anticipates no growth in 2023 profits versus 2022.

Default activity picked up significantly through the first quarter of the year, in contrast to no defaults in Q4 2022. The 12-month trailing default rate (including distressed exchanges for U.S. high yield bonds) was 1.9%, which is 160 bps above the lowest default rate on record (0.3%) set in February 2022 but still well below the long-term average of approximately 3%.

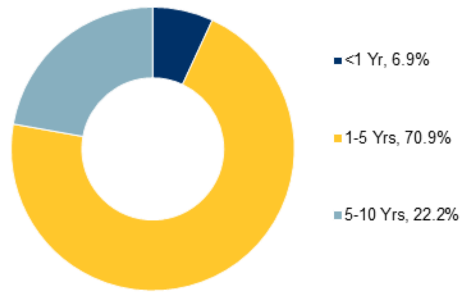
Despite looming risks, the absolute yield available in high yield bonds continues to provide attractive potential returns. Historically, the performance stemming from yields similar to today’s levels has been compelling over the 1–2 years that follow.

PH&N High Yield Bond Fund – Portfolio Structure as of March 31, 2023

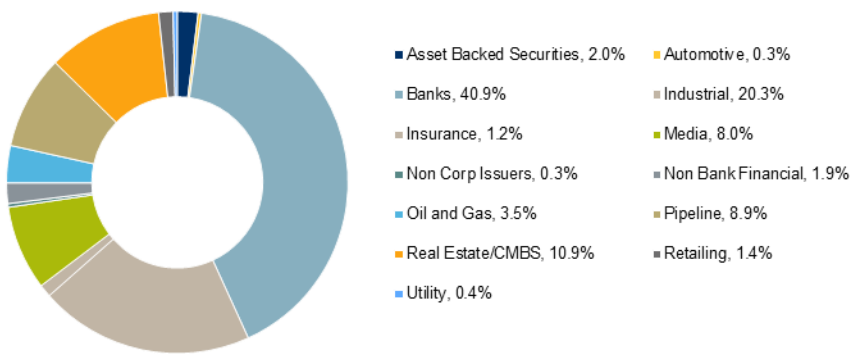
By Rating



By Maturity



By Industry Group



Effective Duration:	3.2 Years
Yield to Worst:	7.46%
Average Term:	4.88 Years

Effective duration, yield to worst and average term have been calculated in BondLab, utilizing a proprietary option-adjusted model. Ratings are Bloomberg composites. Other metrics are available upon request.

RBC Global Bond Fund

The RBC Global Bond Fund returned 3.29% in the first quarter and -5.80% over the past year, outperforming its benchmark over both the periods. The outperformance came from a combination of higher yields, regional positioning, and credit positions.

Positioning within global government bonds was positive, with overweight positions in Canada and U.K. government bonds contributing to performance. This contribution was partially offset by underweight positions in Japan, the U.S., and Europe. Duration exposure was traded tactically during the quarter, as the banking-related volatility shook interest rate markets. As things have begun to settle, positioning has moved back to neutral-to-long duration. Regional positioning remains biased toward issuers that we feel are closer to completing their monetary policy tightening cycles, such as Canada, the U.K., and more recently, Australia, New Zealand, and Sweden.

Credit positions also contributed to performance, although it was a topsy-turvy quarter due to the banking volatility. The portfolio’s preference for high-quality credit positions, through short-dated corporate bonds and investment grade emerging market sovereign issuers, helped it navigate the volatility and provided a tailwind for absolute and relative performance.

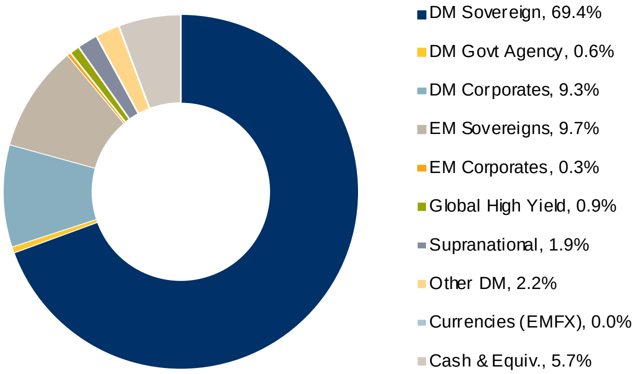
The portfolio continues to have limited exposure to more economically sensitive bonds like high yield bonds and EM corporates, as the global economy remains on a slowing trajectory. Credit positioning has remained relatively consistent over the quarter, with the portfolio conservatively positioned, both in terms of credit quality and time to maturity.

Currency positioning also remains conservative, with the portfolio running limited unhedged currency exposure. As a result, currency performance was flat during the period. The portfolio is running de-minimis exposure to EM currencies at the moment and holds only small positions in major developed market currencies, such as the Euro and Japanese Yen, on the belief that they should outperform North American currencies in the long term following a year in which both currencies underperformed the safe-haven U.S. dollar.

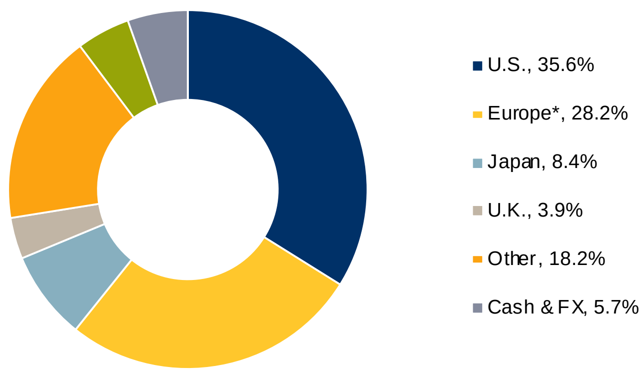
RBC Global Bond Fund – Portfolio Characteristics and Structure as at March 31, 2023

As at March 31, 2023	Duration (Yrs)	Hedged Yield (%)	Avg. Rating
RBC Global Bond Fund	**7.46**	**4.37**	**AA**
FTSE World Government Bond Index – CAD hedged	**7.54**	**3.94**	**AA**

Asset Allocation Breakdown

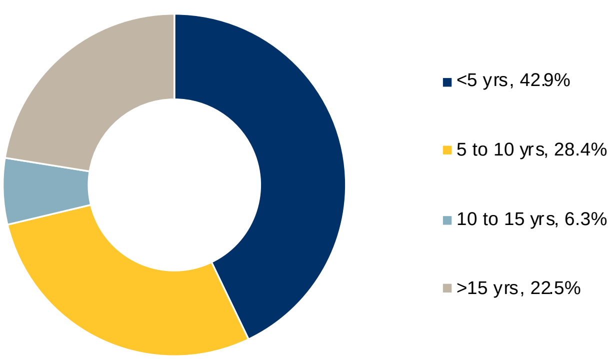


Regional Breakdown

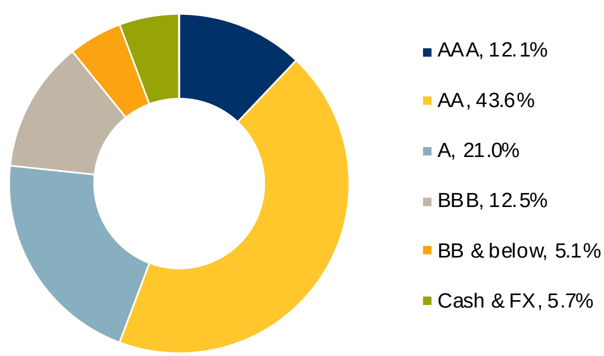


*Europe consists of European Monetary Union (EMU) members who qualify for inclusion in the FTSE WGBI index

Maturity Breakdown



Credit Quality Breakdown



Totals may not add to 100% due to rounding

RBC Canadian Core Real Estate Fund

The RBC Canadian Core Real Estate Fund returned 0.84% in the first quarter and 11.73% over the past year, underperforming its benchmark over the quarter but outperforming over the one-year period.

Strong leasing activity and sustained occupancy levels continued to drive operating performance. The portfolio is well-positioned for the balance of the year owing to the strong leasing activity that took place in 2022 and into Q1 2023, which secured several major long-term tenancies and translated to high occupancy levels across all property types. Looking forward, net operating income (NOI) growth and capitalizing on the flight-to-quality theme playing out across all sectors will be fundamental to help protect asset values from shorter-term macroeconomic swings, including the pressure of higher interest rates and/or a potential recessionary environment.

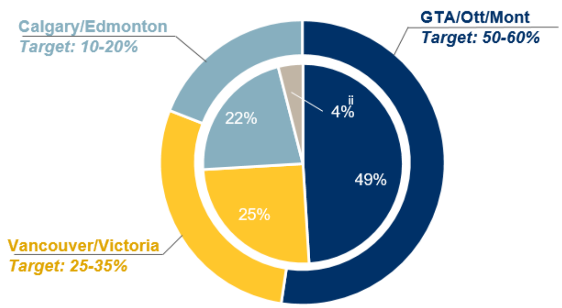
In 2022, the fund completed the fourth phase of its portfolio acquisition program ("Tranche 4") with BCI, acquiring additional interests in 26 existing assets and adding three new assets, totalling over $800 million in gross asset value (GAV), and discussions have commenced with BCI regarding Tranche 5, targeted for execution in Q4 of 2023. The investment program will be complemented by the fund's active asset management program, which will assess opportunities to capitalize on strength in select assets and markets, by potentially divesting from select assets on an accretive basis to the fund.

The fund's balance sheet remained very strong through the first quarter with a leverage ratio of 17%, maintaining significant access to liquidity while upholding its conservative approach given the present climate. Given the uncertainty in the economy and financial markets, the resilience and flexibility of the fund's balance sheet should continue to be a competitive advantage through 2023. Key components that will help deliver stable returns through the current macroeconomic environment include a well-occupied, high-quality portfolio in major markets exhibiting NOI resilience and growth, a conservative balance sheet with high liquidity, and low exposure to rising construction costs.

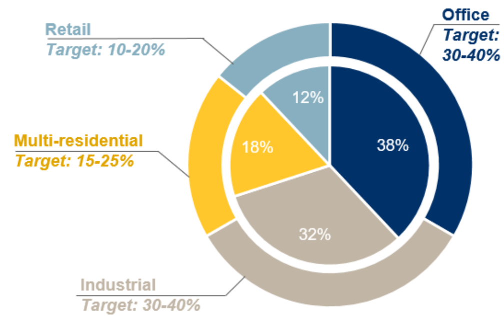
In 2023, the fund plans to continue to target new accretive investments that will further balance the fund's sector exposures while maintaining its conservative capitalization strategy (low leverage and high liquidity). The fund's active investment program through 2020, 2021, and 2022 contributed materially to the fund's strong performance, as strategic assets were added through the down cycle created by COVID and the inflation spike.

RBC Canadian Core Real Estate Fund - as at March 31, 2023

Geographic Breakdown[i]



Sector Breakdown[i]

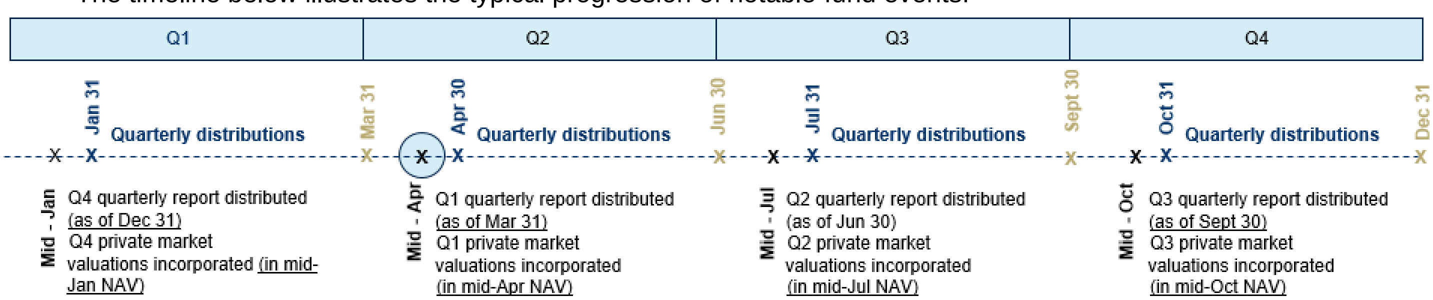


[i] Based on Q1 2023 valuations. Portfolio characteristics are subject to change.
[ii] Other = Hamilton, Kitchener, Cambridge, and Red Deer
Inner pie: Current allocations
Outer ring: Mid-term targets

Portfolio Profile	
Gross Assets[i]	$4.84B
Net Assets[i]	$4.01B
Number of 50%-owned properties	57
Number of 15%-owned properties	11
Loan-to-value[ii]	17%

[i] As of March 31, 2023. Portfolio characteristics are subject to change.
[ii] As of March 31, 2023. Market value of borrowed funds as a percentage of Fund GAV.

The timeline below illustrates the typical progression of notable fund events:



PH&N Canadian Equity Underlying Fund

The portfolio outperformed the Canadian equity market this quarter, posting a return of 4.88%. Overall, 7/11 sectors contributed positively to relative performance, led by Information Technology and Industrials, while Financials and Materials detracted the most.

Positioning within Information Technology contributed positively to returns, with tech stocks in general rising amidst expectations of an end to the central bank hiking cycle. **Constellation Software** and **Kinaxis,** two high-conviction holdings in the sector, were buoyed by overall positive sentiment for technology holdings, adding value in the quarter.

Industrials holdings **SNC-Lavalin** and **Stantec** were top contributors to relative performance during the period, as they have stronger outlooks than more economically sensitive stocks in the sector. The rising risk of recession is less of a concern for SNC-Lavalin and Stantec, as they stand to benefit from U.S. infrastructure spending, which is unlikely to decline in light of recent policies in place to promote development (e.g. Infrastructure Investment & Jobs Act, CHIPS Act).

The failure of several U.S. banks in March exacerbated the 2023 headwinds for Canadian banks that we were cognizant of entering the year, specifically: lower net interest margins, slower loan growth, and increased credit costs. The outlook for net interest margins, for example, weakened further amidst U.S. bank failures, and increased the pressure to raise deposit rates for customers and hold liquidity to manage through this period of uncertainty. As a result, share prices declined, though we would note that the Canadian banking system is more stable than that of the U.S., largely because it has a single regulator compared with a highly fragmented regulatory system in the U.S.

TD was a top detractor from returns, underperforming its peer group in the quarter due to higher exposure to U.S. banking, particularly through its stake in Charles Schwab (SCHW), representing approximately 10% of TD's market cap. SCHW was down 36% in the quarter due to a broad bank sell-off in the U.S. We continue to like TD and see promising risk/reward opportunity and view it as one of the highest-quality franchises with attractive expected returns in the bank peer group.

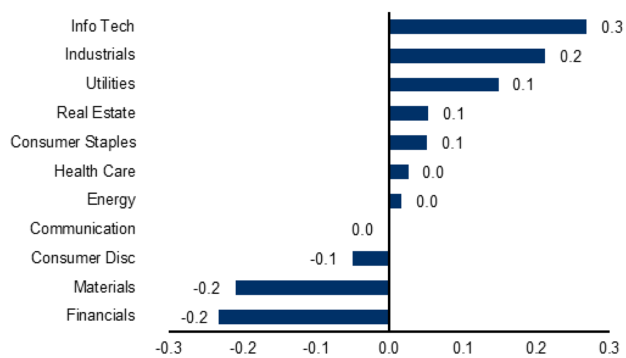
Small-cap holding **Aritzia** was a top individual detractor from relative returns in the first quarter. Like many retailers, Aritzia has been managing high inventory levels resulting from over-buying to combat supply chain delays that have since normalized. As a long-term investor, and given that sales remain strong, we are not concerned and believe they will be able to effectively drawdown excess inventory over time.

Given the macroeconomic and recession risks plaguing the markets, we have been thoughtful about our overall portfolio positioning to best manage the current market environment. For example, we continue to monitor our positioning within Canadian banks and remain centred on those we believe to be more defensive (i.e. **TD** and **RBC**) – as characterized by less credit risk exposure and greater upside to rising interest rates through higher deposit franchises.

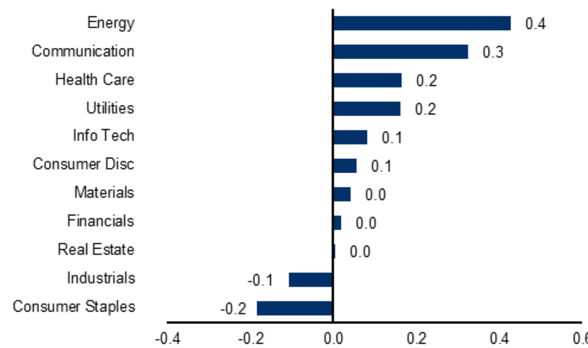
PH&N Canadian Equity Underlying Fund
Portfolio Attribution and Structure as of March 31, 2023

Fund Characteristics	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Canadian Equity Underlying Fund	**102**	**58.2**	**2.9**
S&P/TSX Capped Composite Index	*234*	*58.1*	*3.1*

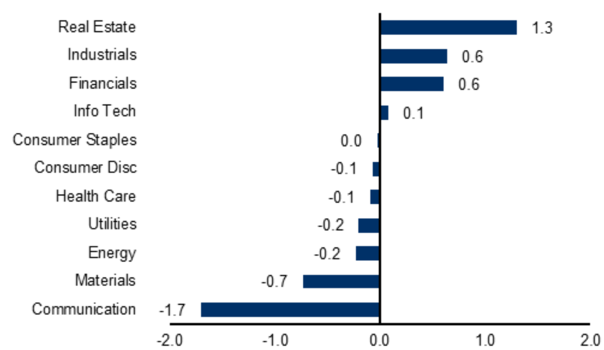
3 Month Attribution (%)



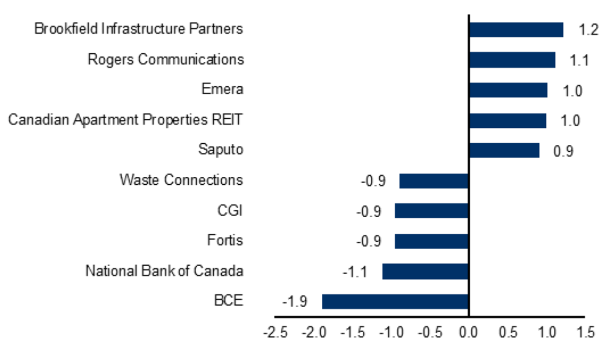
1 Year Attribution (%)



Sector Active Weights (%)



Largest Active Weights (%)



PH&N Canadian Equity Value Fund

The PH&N Canadian Equity Value Fund returned 3.95% in the first quarter and -3.72% over the past year, slightly underperforming its benchmark over the quarter but outperforming over the one-year period.

Lower exposure to gold companies in the Materials sector was the primary headwind for relative returns. We tend to be underweight this segment of the market due to scarcity of companies that meet our investment criteria – high-quality assets in safe jurisdictions, with healthy balance sheets, disciplined management teams, and reasonable valuations. As a result, we often lag when gold stocks perform especially well, as was the case in March when investors grew increasingly concerned about the stability of the U.S. financial system and fled to perceived “safe heaven” assets such as gold. In addition, a disappointing earnings report from **Agnico Eagles Mines**, one of our key gold holdings, further detracted.

Positioning in the Utilities sector also marginally detracted; specifically, not owning Brookfield-affiliated energy infrastructure and renewables companies, both of which posted strong gains. We achieve indirect exposure to these businesses through our core position in the parent, **Brookfield Corporation**.

On the other side of the ledger, we saw notable outperformance in the Energy sector. Our bias to larger, integrated producers was positive for relative returns, as macroeconomic concerns weighed on energy prices and hurt shares of smaller companies more. This was especially notable for natural gas producers as gas prices almost halved. We were not completely immune to this weakness with our position in **ARC Resources** also posting a loss, but we avoided several other companies that saw even larger declines.

We reduced our position in **TD Bank**, as we are concerned about regulatory delays around an important acquisition and risks to some of the bank’s revenue streams in the U.S. At the same time, we took advantage of weakness in the share price of the **Bank of Nova Scotia** to add to our position.

Elsewhere within the sector, we added to our position in alternative asset manager **ONEX**. The company is trading at ~50% discount to our estimate of its net asset value and is growing overall.

We also reinitiated a position in lumber producer **Interfor** in the Materials sector after profitably investing in the business earlier in the cycle. We believe that much of the bad news is already reflected in valuations, making this an opportune time to invest.

In the Consumer Discretionary sector, we added to our position in **Dollarama** as valuations improved. We funded this investment with a reduction in our position in **Magna**. While the business is cheap in our view, cost inflation and supply chain issues will likely continue to present headwinds and risks to our scenarios.

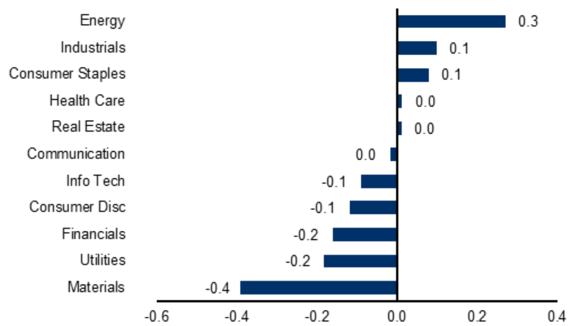
In the **Energy** sector, lower exposure to gas producers helped our relative performance. We further reduced our weight in this area by trimming our position in **ARC Resources**, although we still like the company. Turning to oil, we continue to favour large integrated producers.

Lastly, in Communication Services, we reduced our position in **Rogers**. While we were supportive of its acquisition of Shaw initially, higher debt and financing costs, stronger competition, and governance issues make upside and base-case scenarios much less appealing relative to the current price in our view.

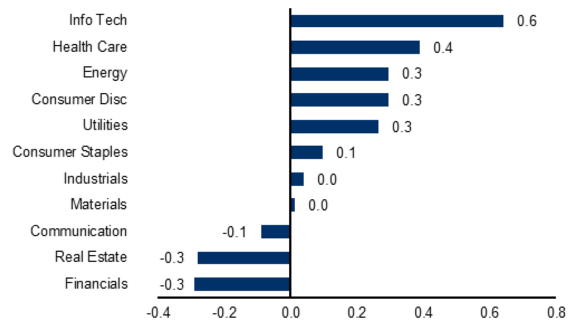
PH&N Canadian Equity Value Fund
Portfolio Attribution and Structure as of March 31, 2023

Fund Characteristics	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Canadian Equity Value Fund	**85**	**63.1**	**3.1**
S&P/TSX Capped Composite Index	*234*	*58.1*	*3.1*

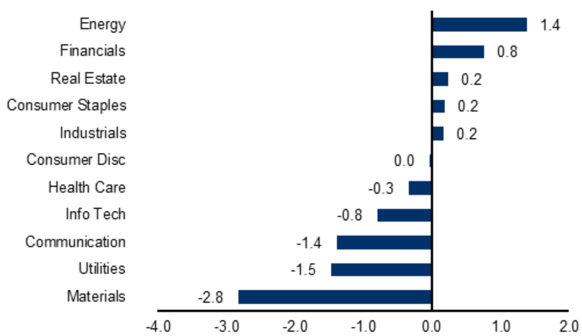
3 Month Attribution (%)



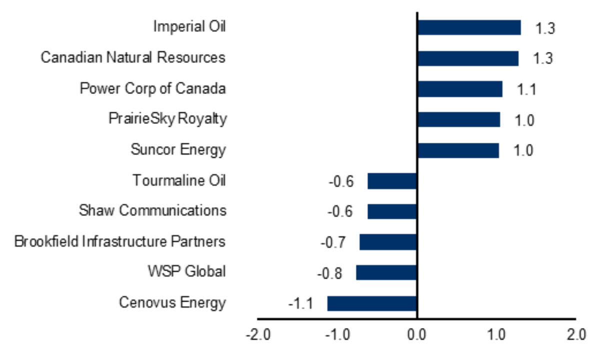
1 Year Attribution (%)



Sector Active Weights (%)



Largest Active Weights (%)



PH&N Small Float Fund

The PH&N Small Float Fund returned 8.51% in the first quarter and 4.39% over the past year, outperforming its benchmark over both periods.

The PH&N Small Float Fund focuses on investing in high-quality, well-managed, small-cap companies with above-average growth prospects. These industry leaders tend to perform well in most stock market environments.

Stantec was up significantly in the quarter, as strong organic growth and improving labour availability led to robust earnings performance. Solid cash flow generation in the quarter also drove balance sheet de-levering, creating the conditions for Stantec to do more accretive M&As. We continue to believe Stantec is well positioned to benefit from large infrastructure spending programs announced over the past few years. **Kinaxis** performed well in the quarter after reporting solid quarterly financial results and guidance that implies their business momentum will remain on track in 2023. Kinaxis continues to execute its strategy in the supply chain management industry, winning market share with its unique and insightful software product. We expect continued strong growth from Kinaxis and it remains a core holding in the portfolio. **Nuvei** appreciated meaningfully in the quarter. Expectations had been reset to low levels following the December 2021 short seller report, which sent the stock tumbling, and volume declines in some of Nuvei's more discretionary segments. Guidance released this quarter renewed confidence in Nuvei's growth prospects and proved the Street's concerns were overblown.

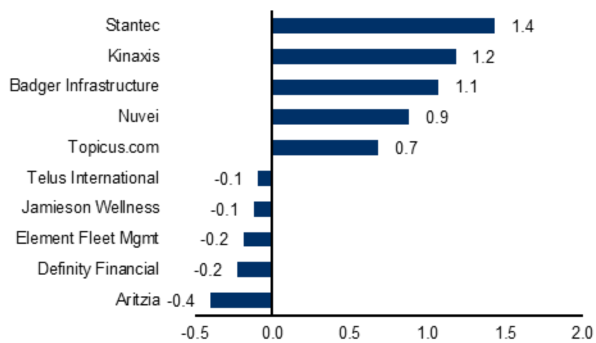
Aritzia was down meaningfully this quarter after reporting good quarterly results but revealing high inventory levels within their business. This was caused by earlier-than-expected deliveries of spring/summer products, as supply chains worked more efficiently than expected after a few years of COVID-driven supply chain challenges. High inventory levels can sometimes lead to margin erosion, as increased discounting is used to move products. Given Aritzia's strong growth trajectory, we believe any impact on margins will be short lived and continue to view their longer-term value creation opportunity as quite attractive. **Element Fleet Management** was down modestly this quarter giving up some of its strong performance from the prior quarter. Element continued to deliver good operating momentum, as originations recovered and new orders for vehicles remained strong. **Definity Financial** performed poorly in the quarter, as earnings momentum began to slow. A large proportion of Definity's business is in personal auto, where both frequency of accidents, and more importantly, severity of losses is increasing because of inflationary pressures. Definity is currently getting premium rate increases approved to offset these inflationary pressures in the business.

PH&N Small Float Fund
Portfolio Attribution and Structure as of March 31, 2023

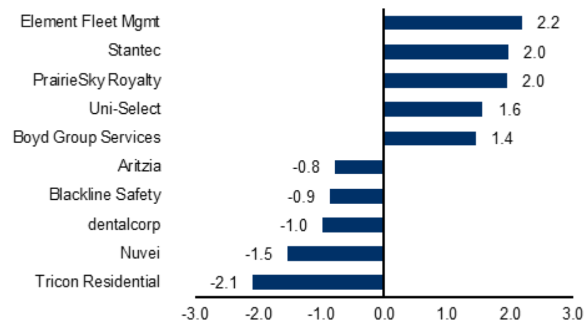
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Small Float Fund	**31**	**4.3**	**1.3**
S&P/TSX Capped Composite Index	*234*	*58.1*	*3.1*

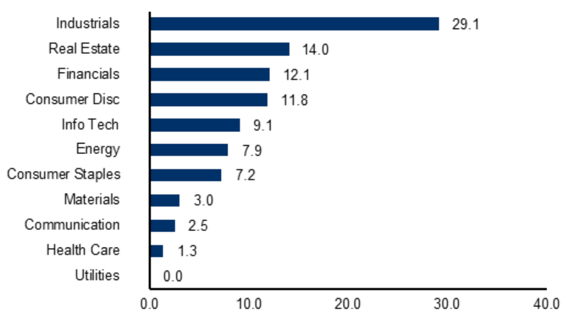
3 Month Attribution (%)



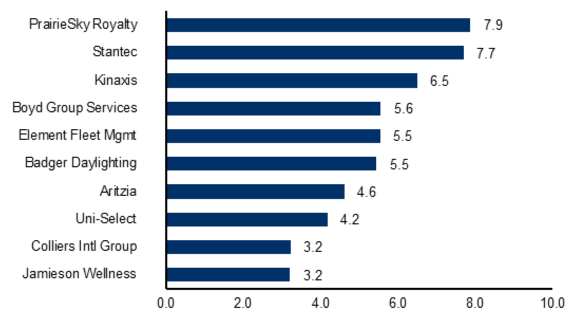
1 Year Attribution (%)



Sector Weights (%)



Top 10 Holdings (%)



RBC Global Equity Focus Fund

The RBC Global Equity Focus Fund returned 2.77% in the first quarter and -5.77% over the past year, underperforming its benchmark over both periods.

Despite stubbornly high inflation, tighter monetary policy, and banking turmoil, global equity markets started 2023 positively. While the strategy generated a positive absolute return in Q1, relative performance was disappointing. The majority of the underperformance came from Financials and to a lesser extent Health Care and Energy; Information Technology and Real Estate were the top contributors.

In Financials, **First Republic Bank** was the largest detractor from performance. In March the collapse of Silicon Valley Bank (SVB) caused a sudden loss of depositor and investor confidence, which triggered a sharp decline in First Republic's stock price. U.S. discount broker **Charles Schwab** was also hit by the ripple effects of SVB and was likewise among the quarter's largest detractors from performance.

UnitedHealth Group was the top contributor to returns in 2022 but weighed on performance in Q1.

In Energy, our positions in **EOG Resources** and **Equinor** both detracted from performance, as both companies' share prices responded negatively to lower commodity prices and higher-than-expected capital expenditure guidance. Not owning Tesla, Meta, and Apple also detracted.

Positive contributors include Information Technology companies **NVIDIA** and **TSMC**. NVIDIA benefitted from increased demand for the advanced chips required to power generative AI and large language models. As for TSMC, it continues to enjoy strong pricing power, which is supportive for gross margins.

In January, we completed the purchase of **Safran**, a global aerospace equipment manufacturer. After-market revenues matter disproportionately to Safran, as the "razor-razorblade" business model is designed to generate reliable, recurring maintenance revenues. As aircraft tend to have an average lifespan of over 25 years, this generates an attractive annuity-like cash flow stream.

In February, we completed the purchase of **LVMH Moet Hennessy Louis Vuitton (LVMH)**. It operates in an industry with attractive long-term growth characteristics, manages the business for long term, and has strong pricing power.

We initiated a position in **Visa**, which is preparing the next leg of growth and continues to expand its value-added services offer (e.g. digital payment platform for merchants).

We also added **Eurofins Scientific** to the portfolio. The company is a global market leader in environmental, food, and biopharma testing as well as speciality and routine diagnostic testing. We subsequently added **American Water** Works to help manage the portfolio's beta exposure.

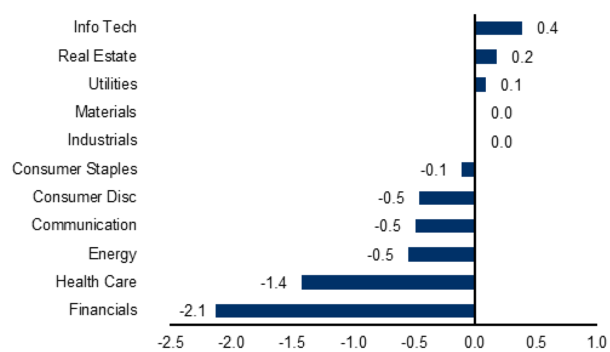
Finally, we exited our positions in **Ørsted** and **Neste**. While we continue to like the long-term potential for offshore wind, we are concerned about offshore wind project costs and their future return potential. We exited our position in Neste as the competitive landscape for renewable diesel is becoming more intense.

RBC Global Equity Focus Fund
Portfolio Attribution and Structure as of March 31, 2023

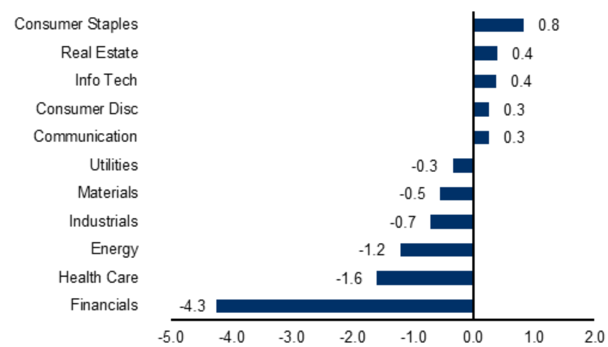
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC Global Equity Focus Fund	**38**	**503.5**	**1.6**
MSCI World Net Index C$	*1509*	*507.5*	*2.1*

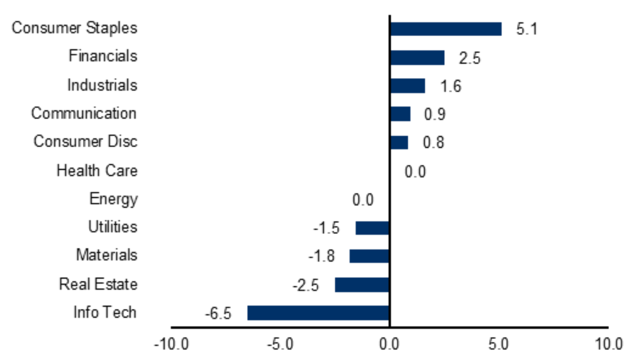
3 Month Attribution (%)



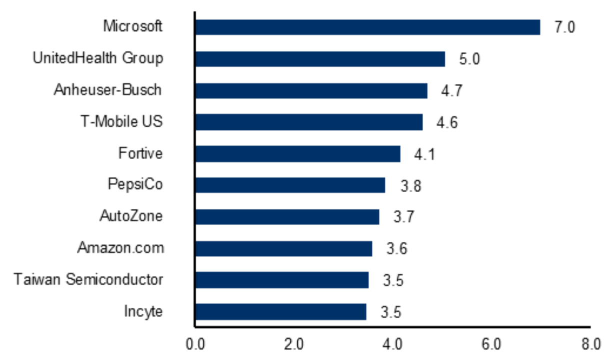
1 Year Attribution (%)



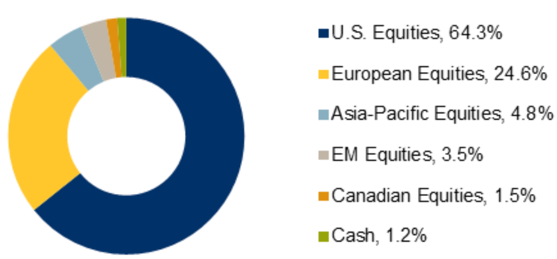
Sector Active Weights (%)



Top 10 Holdings (%)



Regional Breakdown (%)



RBC QUBE Global Equity Fund

The RBC QUBE Global Equity Fund returned 7.94% in the first quarter and 4.10% over the past year, outperforming its benchmark over both periods.

Early in the quarter, optimism around inflation trending down and interest rates peaking, as declining recession risks, led to especially strong gains in equity markets driven primarily by a rally in high-beta stocks. During this period, several of our factors exhibited negative correlation with the market and the portfolio therefore lagged the index. However, a series of events in early February triggered a significant shift: strong non-farm payroll numbers were reported; tech giants Amazon, Alphabet, and Apple all announced poor earnings results; and Fed chair Jerome Powell stated that although inflation is seemingly under control, rate cuts later in 2023 aren't to be expected. The implications of these events – strong employment, the beginning of a potential earnings recession, and central bank action continuing to charge ahead with aggressive policy tightening – resulted in a precipitous drop in markets and many of our factors trending up to end the quarter flat to slightly positive.

Top contributors from a factor perspective were Value, Profitability, and to a lesser extent Quality, while Technical (momentum) detracted from returns. The economic rationale behind Value's strong performance is well established; stocks that were once priced very aggressively and optimistically based on long-term prospects have seen those prospects reset, resulting in a strong preference for stocks with attractive near-term earnings and resilience over their more growth-oriented counterparts. Since the beginning of 2022, Value has been a major powerhouse for quantitative strategies, and the success of Quality has also aided in the strong recovery we've seen since the challenging 2018-2020 period.

In terms of sector attribution, our underweight allocation to the Consumer Discretionary sector and overweight allocation to the Industrials sector contributed the most to relative performance, while our underweight allocation to the Communications sector was the largest detractor.

At the stock level, overweight allocations to technology company **Apple** and cybersecurity company **Palo Alto Networks** contributed the most to relative performance, while not holding technology hardware manufacturer **NVIDIA** and an overweight in petroleum refiner **Equinor** were the largest detractors.

We increased our overweight position in homebuilding and mortgage banking company **NVR**. The stock scores positively across all our model's factors, and saw increases to Quality, Profitability, and Technical (momentum) over the quarter. Similarly, we increased our overweight position in beverage manufacturer **Coca-Cola** due to modest improvements in the stock's Quality and Analyst scores.

On the other side of the ledger, we removed health care and insurance company **UnitedHealth Group**, Swiss private bank **Julius Baer Gruppe**, and cybersecurity developer **Fortinet** from the fund. In terms of UnitedHealth Group, the stock's Quality score deteriorated due to the acquisition of Change Healthcare, and within the Growth composite, the stock's FCF growth declined meaningfully. As for Julius Baer Gruppe, our Sector, Country, and Security model scores all turned meaningfully negative. Last, several of Fortinet's scores declined over the quarter, with the most notable change being to Profitability.

RBC QUBE Global Equity Fund
Portfolio Attribution and Structure as of March 31, 2023

Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC QUBE Global Equity Fund	**163**	**462.1**	**2.0**
MSCI World Net Index C$	*1509*	*507.5*	*2.1*

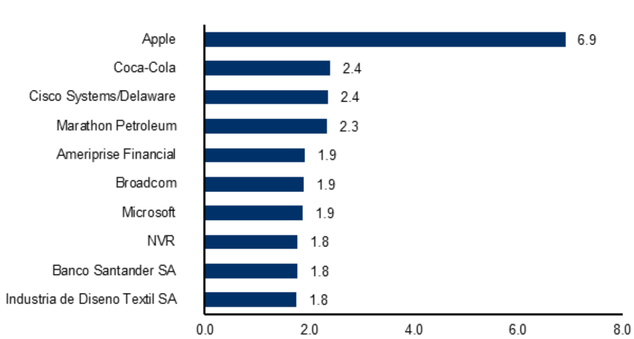
Factor Performance

	3 Mo	1 Yr
Security selection model	↑	↑↑↑
Value	↑	↑↑
Profitability	↑	↑↑
Quality	-	↑↑
Sentiment	-	↑
Growth	-	-
Analyst	↓	↑
Technical	↓	↓
Sector selection model	↑	↑
Country selection model	-	-

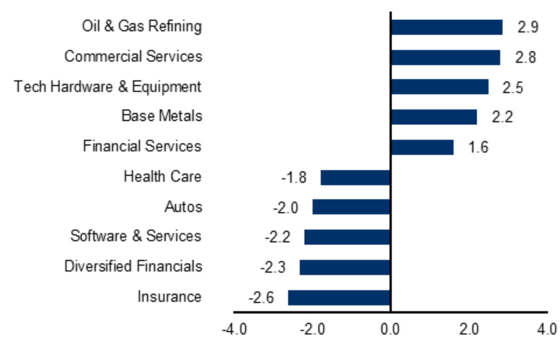
Illustrative Portfolio Metrics

	Fund	Benchmark
Forward Return on Equity (Profitability)	**42.9%**	*28.8%*
Forward P/E (Value)	**14.2x**	*16.6x*
Goodwill Growth (Quality)	**0.2%**	*1.4%*
Free Cash Flow Growth (Growth)	**24.3%**	*0.6%*

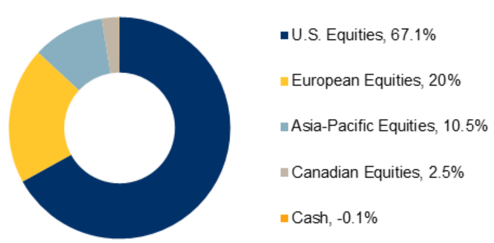
Top 10 Holdings (%)



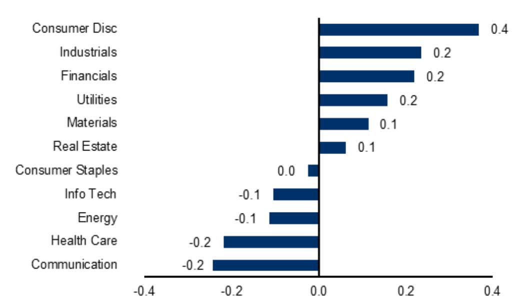
Largest iGICS Sector Active Weights (%)



Regional Breakdown (%)



3 Month Attribution (%)



RBC Global Equity Leaders Fund

The RBC Global Equity Leaders Fund returned 3.74% in the first quarter and -2.53% over the past year, underperforming its benchmark over both periods.

In spite of stubbornly high inflation, tighter monetary policy, and banking turmoil, global equity markets started 2023 on a positive note. While the strategy generated a positive absolute return over the quarter, relative performance was disappointing. In terms of sectors, the majority of the portfolio's underperformance came from Financials and to a lesser extent Health Care and Energy, while Information Technology and Real Estate were the top contributors.

In Financials, U.S. discount broker **Charles Schwab** was among the largest detractors from performance. After the collapse of Silicon Valley Bank, concerns surrounding liquidity and earnings headwinds weighed on Schwab's stock price, as clients migrated cash from lower-yielding bank deposits into higher-yielding money market funds. Additionally, Hong Kong-based life insurer **AIA Group** reported strong results, with new business coming in better than expected as COVID waves in major markets subsided, but the stock was impacted by the negative sentiment brought on by banking turmoil. The outlook for AIA is supported by structural tailwinds due to its positioning across Asia to benefit from increasing incomes, the high barriers of entry to the insurance industry, and limited government welfare.

Many of last year's best-performing positions were this quarter's largest detractors, and vice-versa. For example, **UnitedHealth Group** was the portfolio's top contributor to returns in 2022 but weighed on performance in the first quarter. Despite the setback in performance, we maintain our belief that the integration of its benefits programs and Optum platform (the technology-focused arm of their health services business) continues to distinguish the company from peers and is among its key competitive advantages.

In Energy, our positions in **EOG Resources** and **Equinor** both detracted from performance, as both companies' share prices responded negatively to lower commodity prices and higher-than-expected capital expenditure guidance. Not owning Tesla, Meta, and Apple also detracted a combined 1.5% from relative performance, given their large benchmark weights and strong performance over the quarter.

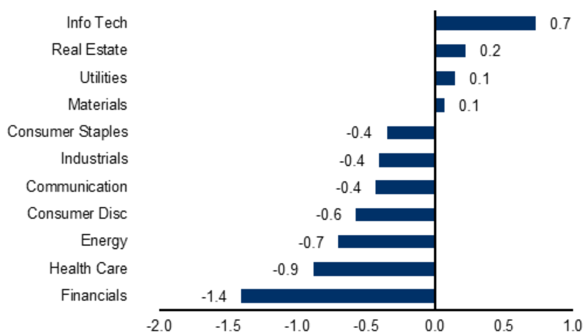
Positive contributors include Information Technology companies **NVIDIA** and **TSMC**, which saw their stock prices rebound in the first quarter after experiencing weakness in 2022. NVIDIA benefitted from increased demand for the advanced chips required to power generative AI and large language models, for which NVIDIA is the undisputed market leader. As for TSMC, the world's largest pure-play semiconductor manufacturer, despite experiencing some cyclical softness in semiconductor chips, the company continues to enjoy strong pricing power, which is supportive for gross margins. Longer term, regional diversification of fabrication plants outside of Taiwan remains a key positive driver.

RBC Global Equity Leaders Fund
Portfolio Attribution and Structure as of March 31, 2023

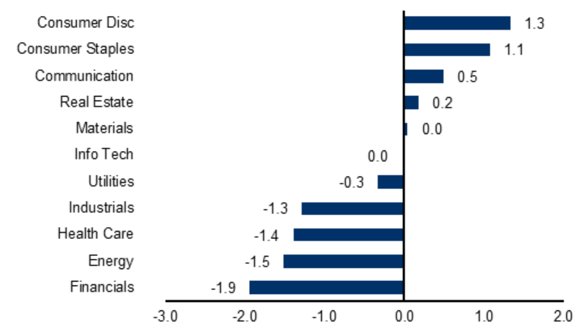
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC Global Equity Leaders Fund	**29**	**555.4**	**1.8**
MSCI World Net Index C$	*1509*	*507.5*	*2.1*

3 Month Attribution (%)

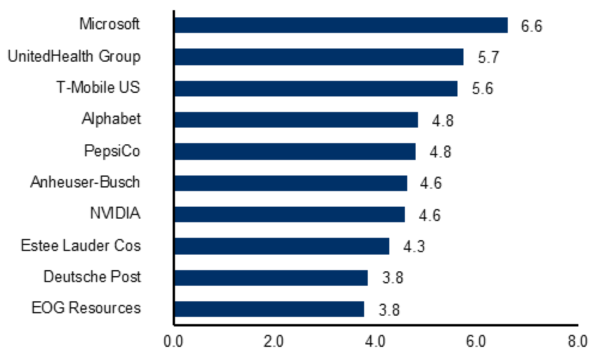


1 Year Attribution (%)

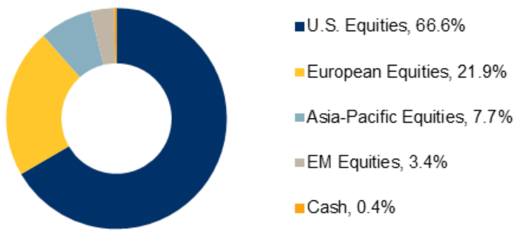


Sector Active Weights (%)

Top 10 Holdings (%)



Regional Breakdown (%)



RBC Emerging Markets Equity Fund

The RBC Emerging Markets Equity Fund returned 6.16% in the first quarter and 4.08% over the past year, outperforming its benchmark over both periods.

Stock selection was the main driver of the benchmark outperformance over the quarter. At the sector level, the strategy benefited from notably strong selection in Consumer Discretionary and Healthcare. Sector allocation delivered mixed results over the quarter, with the lack of exposure to Utilities and Energy benefiting relative returns, while the underweight to Communication Services detracted.

From a geographic perspective, stock selection was the main driver of relative returns in Q1, with strong contribution from India and China. Selection in South Korea detracted but to a far lesser extent. Country allocation also contributed positively, primarily due to a lack of exposure to Saudi Arabia and the UAE.

At a company level, the portfolio's exposure to Chinese markets drove relative returns. The strategy benefited from a position in quick service restaurant operator **Yum China**. The company is seeing a recovery in sales and traffic following China's post-COVID. Elsewhere in China, not owning e-commerce giants **JD.com**, **Pindoudou,** and **Meituan** was positive, as all the three companies sold off amid concerns over increased competition and price wars. Conversely, shares in the companies we favour within this sector, **Alibaba** and **Tencent**, were up sharply over the quarter.

Mexican holding company and convenience chain store operator **FEMSA** was also a top contributor over the quarter. Shares in the company soared over 20% in Q1 on the back of a strategic review that reflected management's commitment to addressing the holding company discount.

Within Consumer Discretionary, shares of **MercadoLibre** – Latin America's largest ecommerce platform – surged over 50%, as it reported strong quarterly results that beat expectations. It is also expected to benefit from market share gains following the bankruptcy of Brazilian retailer, Americanas SA.

Finally, our holding in Korean memory chipmaker **SK Hynix** rebounded in Q1 following a tough 2022.

Turning to detractors, the top detractor over the quarter was Brazilian stock exchange owner **B3**. Shares in the company declined after it reported softer-than-expected revenues and higher costs.

Elsewhere in Financials, exposure to Hong Kong-based insurer **AIA** weighed on relative performance. Its share price weakened in March on the back of concerns regarding potential exposure to Credit Suisse AT1 bonds. However, it has since recovered after the company confirmed they have no exposure.

After leading the portfolio's returns over 2022, shares in India's leading tractor and auto brand **Mahindra and Mahindra** underperformed this quarter. Management's guidance for slower growth for tractors amidst a challenging rural environment also weighed on the share price.

Within Consumer Staples, South African retail pharmacy chain **Clicks'** shares fell in Q1 amid weakness in South African equities, a challenging operating environment, and weak consumption backdrop.

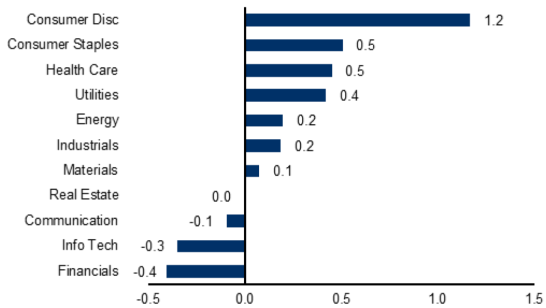
Finally, not owning South Korean index heavyweight **Samsung** detracted from relative returns.

RBC Emerging Markets Equity Fund
Portfolio Attribution and Structure as of March 31, 2023

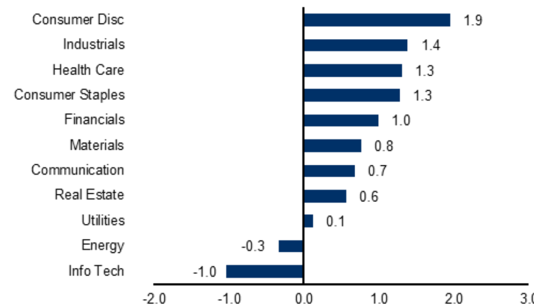
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC Emerging Markets Equity Fund	**47**	**138.9**	**2.3**
MSCI Emerging Markets Net Index C$	*1379*	*148.5*	*3.3*

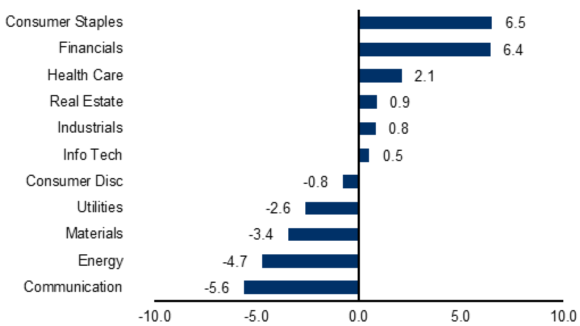
3 Month Attribution (%)



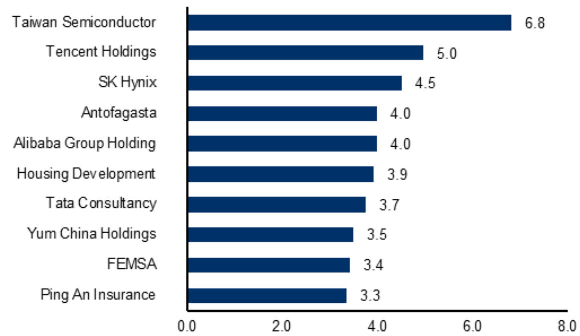
1 Year Attribution (%)



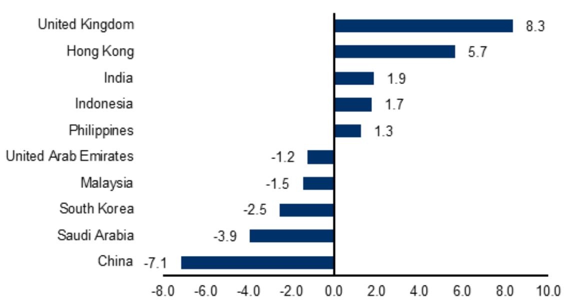
Sector Active Weights (%)



Top 10 Holdings (%)



Top Five/Bottom Five Country Active Weights (%)



* UK exposure includes the EMEF's position in Unilever and two EM companies that are listed on the London Stock Exchange (Antofagasta and Mondi)