

PH&N Bond Fund

Fund Performance

Performance Comparison as of March 31, 2023 (%)							
	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
PH&N Bond Fund	3.32	-1.60	-2.83	-0.84	0.53	1.47	2.39
<i>FTSE Canada Universe Bond Index</i>	3.22	-2.01	-3.28	-1.67	-0.17	0.89	1.88
Relative Performance	+0.10	+0.41	+0.45	+0.83	+0.70	+0.58	+0.51

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

Fund Attribution

Attribution to March 31, 2023 (%)		
	Relative Performance	
	3 Mo	1 Yr
Interest rate anticipation		
Duration & yield curve	0.06	0.25
Real return bonds	0.00	0.00
Foreign sovereign bonds	0.02	0.00
Credit & liquidity		
Provincial and quasi-government bonds	-0.03	-0.01
Investment grade corporate bonds	0.07	0.17
Other		
Strategy interaction/other	-0.02	0.00
Total	+0.10	+0.41

First Quarter Review

Strategy Summary for Quarter Ending March 31, 2023 (relative contribution to duration exposure)

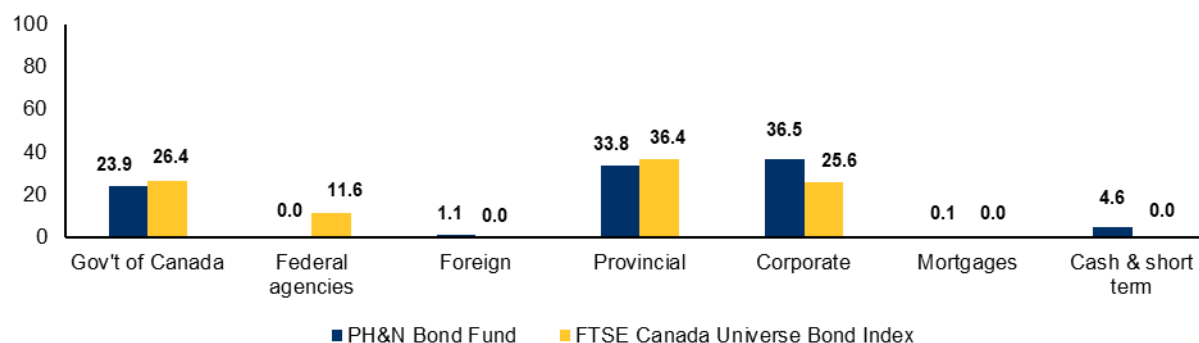
Strategy	Change Over Q1	Position Ending Q1	Our View
Duration & Yield Curve	Increased	Slight long duration	Reward for taking significant interest rate risk is not compelling given elevated uncertainty
Real Return Bonds	Unchanged	No position	Reduced liquidity given GoC's termination of issuance; sector not currently compelling
Foreign Sovereign Bonds	Decreased	Small position	Yield differential between U.S. treasuries and Government of Canada bonds at attractive level
Provincial and Quasi-Government Bonds	Unchanged	Moderate overweight in provincials; underweight in federal agencies	Provincial bonds offering better reward for risk relative to federal agencies
Investment Grade Corporate	Decreased	Medium overweight	Cautious on fundamentals; selectively taking advantage of compelling valuations

- 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.

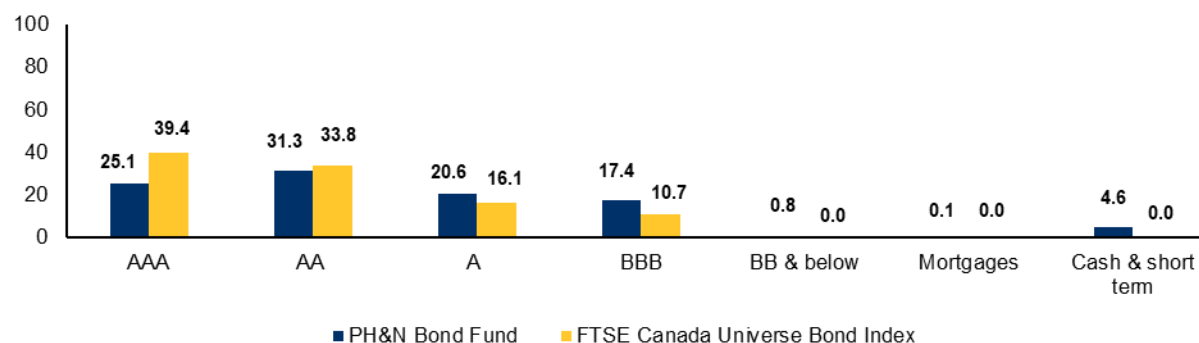
PH&N Bond Fund Portfolio Structure as of March 31, 2023

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

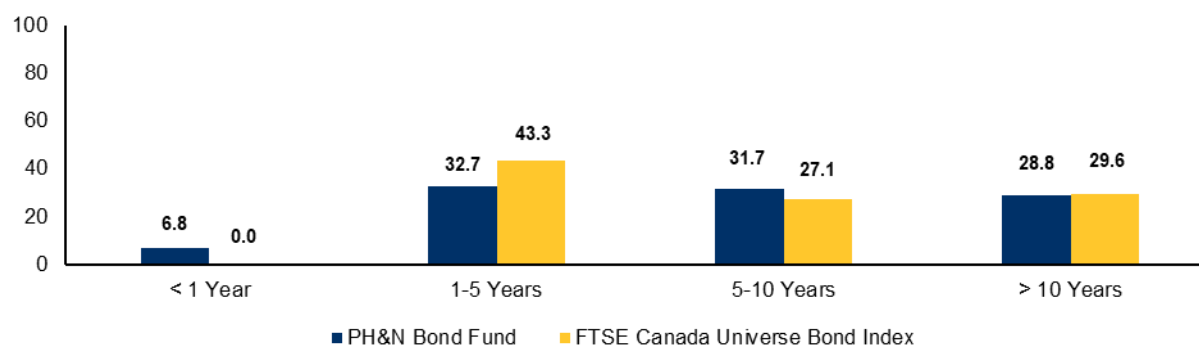
Issuer Analysis (%)



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.