PH&N Balanced Pension Trust

Pre-Fee Rates of Returns June 30, 2022 (%)	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI
PH&N Balanced Pension Trust	-9.37	-9.43	4.16	5.08	5.13	5.81	8.04	7.05[1]
*BPT Benchmark**	*-9.77*	*-9.25*	*2.56*	*3.57*	*4.10*	*4.69*	*6.69*	*6.51*
Relative Performance	+0.40	-0.18	+1.60	+1.51	+1.03	+1.12	+1.35	+0.54
Total Cash & Equivalents	0.24	0.47	0.36	0.88	1.15	1.19	1.03	
FTSE Canada 30-Day T-Bill Index	*0.21*	*0.31*	*0.22*	*0.61*	*0.84*	*0.86*	*0.79*	
Total Bonds	-5.44	-10.51	-5.46	-1.04	0.98	0.98	2.33	
PH&N Bond Fund	-5.64	-10.99	-6.37	-1.51	0.63	0.68	2.24	
PH&N High Yield Bond Fund	-3.31	-4.58	3.61	3.37	3.71	4.06	5.51	
RBC Global Bond Fund**	-5.03	-9.84	-5.17	-1.23	0.92	1.15	2.97	
FTSE Canada Universe Bond Index	*-5.66*	*-11.39*	*-7.02*	*-2.30*	*0.04*	*0.18*	*1.72*	
Total Real Estate	5.29	13.85	10.54	-	-	-	-	
RBC Canadian Core Real Estate	5.29	13.89	10.57	-	-	-	-	6.58[2]
Canadian CPI (Non-Seasonally Adjusted) 1-month lag + 400 bps	*4.39*	*11.73*	*9.65*	-	-	-	-	*8.18*
Total Canadian Equities	-12.60	-2.58	15.60	9.26	7.87	8.08	9.56	
PH&N Canadian Equity Underlying Fund	-13.01	-3.23	15.12	8.83	7.55	7.82	9.43	
PH&N Canadian Equity Value Fund	-11.48	3.30	19.50	9.12	7.61	8.27	9.65	
PH&N Small Float Fund	-12.80	-12.84	8.32	9.31	7.58	8.16	13.02	
S&P/TSX Capped Composite Index	*-13.19*	*-3.87*	*13.43*	*7.97*	*6.93*	*7.62*	*8.18*	
Total Global Equities	-12.47	-14.47	5.46	6.55	5.99	8.34	13.12	
RBC Global Equity Focus Fund	-13.00	-16.24	5.59	7.32	7.65	10.64	-	12.77[3]
MSCI World Net Index (C$)	*-13.44*	*-10.76*	*6.21*	*6.54*	*6.31*	*7.52*	-	*9.29*
RBC QUBE Global Equity Fund	-13.18	-11.27	6.19	6.95	4.79	7.02	-	11.20[4]
MSCI World Net Index (C$)	*-13.44*	*-10.76*	*6.21*	*6.54*	*6.31*	*7.52*	-	*11.00*
RBC Global Equity Leaders Fund (C$)	-12.33	-15.41	-	-	-	-	-	-9.43[5]
MSCI World Net Index (C$)	*-13.44*	*-10.76*					-	
RBC Emerging Markets Equity Fund	-7.40	-18.12	0.49	-0.24	2.09	3.22	7.98	
MSCI Emerging Markets Net Index (C$)	*-8.55*	*-22.17*	*-0.15*	*0.13*	*0.23*	*2.04*	*5.52*	

*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 this quarter. The list of concerns weighing on economies and financial markets remained similar to earlier this year, though they became increasingly pronounced in risk assets, namely equity markets and corporate bonds. We remain cautious about a number of potential risks, including the continued hawkish stance of central banks acting to combat increasingly sticky inflation, the withdrawal of monetary and fiscal support, and the rising odds of a recession happening sooner than would have been expected just a few months ago. With that in mind, we further reduced our tactical overweight in equities and high yield credit, and rotated the proceeds into bonds at yields that are quite attractive relative to where they stood a year ago. We will continue to monitor our tactical positioning and be opportunistic on our equity stance should markets continue to be volatile, knowing that overly pessimistic scenarios are garnering too much attention in the near term amongst market participants.

The PH&N Balanced Pension Trust returned -9.37% over the second quarter, bringing the one-year return to -9.43%.

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

Portfolio Asset Mix as at June 30, 2022 (%)		
	PH&N BPT	**Benchmark**
Cash & Equivalents	0.8	*1.0*
Bonds	34.5	36.0
PH&N Bond Fund	26.4	
PH&N High Yield Bond Fund	0.9	
RBC Global Bond Fund	7.2	
Real Estate	4.1	*3.0*
Canadian Equities	20.0	*20.0*
PH&N Canadian Equity Underlying Fund	12.9	
PH&N Canadian Equity Value Fund	5.1	
PH&N Small Float Fund	2.0	
Global Equities	40.6	*40.0*
RBC Global Equity Focus Fund	18.7	
RBC QUBE Global Equity Fund	14.3	
RBC Emerging Market Equity Fund	4.0	
RBC Global Equity Leaders Fund	3.6	
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 June 30, 2022 (%)						
	Returns			Attribution		
	Fund	Benchmark	Relative Performance	Asset Allocation	Security Selection	Total Effect
Cash & Equivalents	0.47	0.31	0.16	0.01	0.00	0.01
Fixed Income	-10.51	-11.39	0.88	0.13	0.32	0.45
Real Estate	13.85	11.73	2.12	0.14	0.02	0.16
Canadian Equity	-2.58	-3.87	1.29	0.06	0.27	0.33
Global Equity	-14.47	-11.92	-2.55	0.12	-1.25	-1.14
Total	**-9.43**	**-9.25**	**-0.18**	**0.46**	**-0.64**	**-0.19**

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 -5.64% in the second quarter and -10.99% over the past year, outperforming its benchmark over both periods.

Over the quarter, inflation data continued to exceed market expectations, and central banks increased policy rates aggressively in response. This prompted a significant rise in bond yields across the yield curve for the second consecutive quarter, with the 10-year Government of Canada bond yield now 180 basis points (bps) higher year-to-date. Unsurprisingly, bonds experienced another quarter of meaningful negative performance against this backdrop, with the FTSE Canada Universe Bond Index returning -5.66%.

While the sharp rise in yields so far this year has resulted in negative returns for the portfolio, it is important to consider that it also produces a significantly higher yield for your portfolio as compared to the beginning of the year. All else being equal, this should lead to meaningfully higher expected returns going forward.

The portfolio finished slightly ahead of its benchmark over the period, with positive contributions from investment grade corporate bonds offsetting weakness from provincial and quasi-government bonds. Overall, the portfolio's risk exposures were reduced over the quarter in light of the uncertain market environment we find ourselves in. The portfolio’s duration and yield curve positioning was a small contributor to relative performance, with the portfolio ending the quarter with a slight short duration position as compared to the index.

A small out-of-benchmark position in real return bonds was a neutral contributor to performance and was eliminated in the quarter as long-term market implied inflation expectations reached our current assessment of fair value.

Exposure to provincial and government agency bonds detracted value as spreads moved wider.

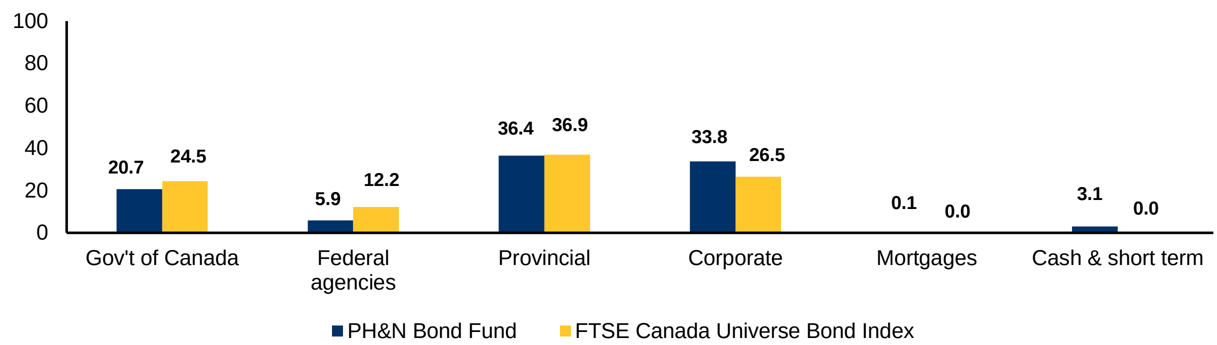
The portfolio’s overweight to investment grade corporate bonds added value despite spread widening due to conservative positioning biased towards higher-quality issuers.

PH&N Bond Fund Portfolio Structure as of June 30, 2022

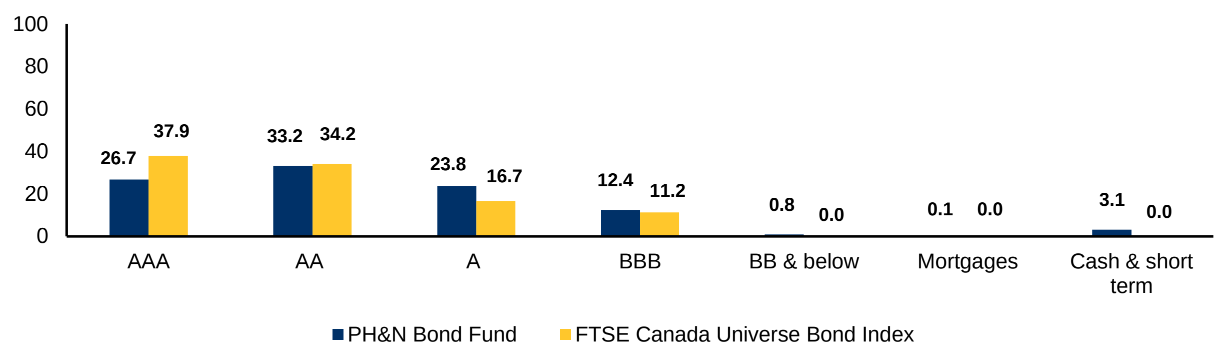
Fund Characteristics

	Modified Duration (Yrs)	Term to Maturity (Yrs)	Yield to Maturity (%)
PH&N Bond Fund	7.33	10.30	3.97
FTSE Canada Universe Bond Index	*7.39*	*10.18*	*3.92*

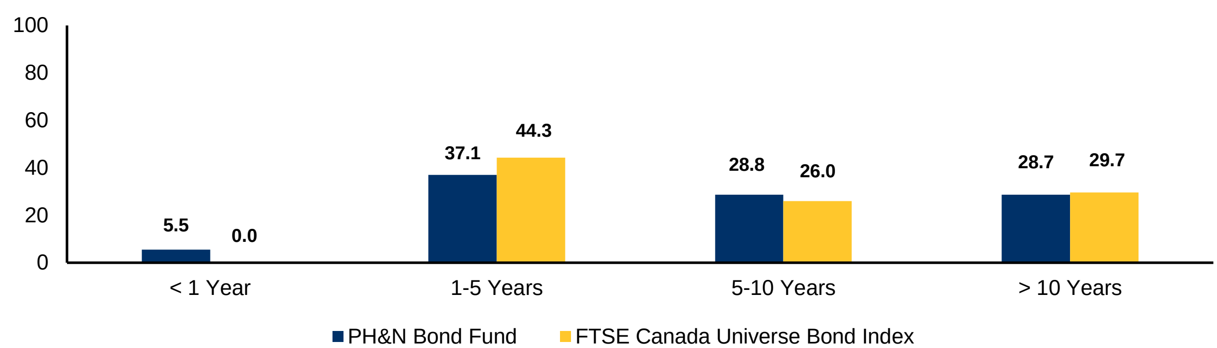
Issuer Analysis (%)



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 -3.31% in the second quarter and -4.58% over the past year, outperforming its benchmark over both periods.

High yield bond spreads rose substantially throughout the second quarter and peaked at 587 basis points on June 30th. This sell-off was driven by a confluence of negative factors, including persistently high inflation, the conflict in Ukraine, elevated commodity prices, slowing corporate profits, and a continuing economic tightening cycle. Spreads trended upwards throughout the quarter, and widened rapidly towards the end of June (rising 76 basis points from June 27-30).

High yield issuance continued to slow in the second quarter as risk-off sentiment impacted demand. Proceeds were primarily used for acquisition financing, to refinance existing debt, and for general corporate purposes.

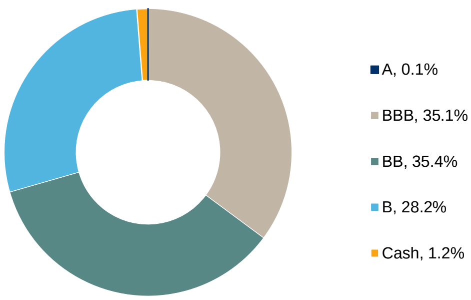
The earnings outlook for corporations is deteriorating, with the estimated earnings growth of the S&P 500 hovering slightly above 4% for Q2. This would mark the slowest earnings growth since Q4 2020. Oil prices remain both high and volatile in the range of $90-$120 per barrel, which has been supportive for oil companies. However, oil and gas is increasingly contributing to rising inflation, which is becoming detrimental for the rest of the economy. High yield default activity increased at the margin, but overall remains modest, and is not expected to rise materially for this year. The annual default rate increased by 33 basis points in June to 0.76%, its highest level since September, but still well below historical averages of ~3.2%. This is the result of a recovering economy and the “cleansing” effect of 2020’s peak default rate of 6.3%. Corporate leverage, earnings, and cash flows have all recovered to healthier levels, although the overall economic picture remains volatile and uncertain.

The sell-off in sovereign debt and in investment grade (IG) corporate credit (and to a lesser extent in high yield) is approaching historical extremes as inflation remains stubbornly high and the Federal Reserve now embarks on its most aggressive hiking campaign in nearly 30 years. In light of the dramatic increase in yields and the record low sentiment for all things fixed income, we have begun to deploy a considerable portion of our “war chest” in the PH&N HYBF almost exclusively in certain very beaten up IG segments where we have seen heavy and price-insensitive issuance (this to us is the very best risk/reward proposition right now).

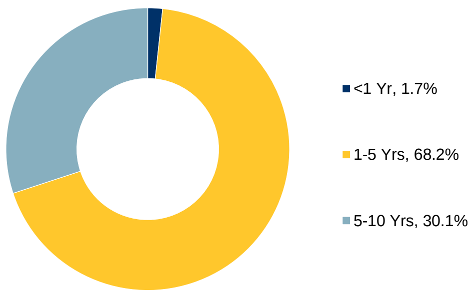
Central banks have become more hawkish following the Fed’s most recent 75 basis point hike, and are expected to continue raising rates aggressively to combat inflation. Rising interest rates are still a key risk factor for core bonds and high yield bonds in the near term. After the recent deployment of capital outlined in the previous paragraph, the PH&N HYBF’s duration has risen to ~3.5 years. Fund duration more closely resembles the short bond index rather than the universe index, and should help insulate the portfolio against higher interest rates and wider credit spreads.

PH&N High Yield Bond Fund – Portfolio Structure
as of June 30, 2022

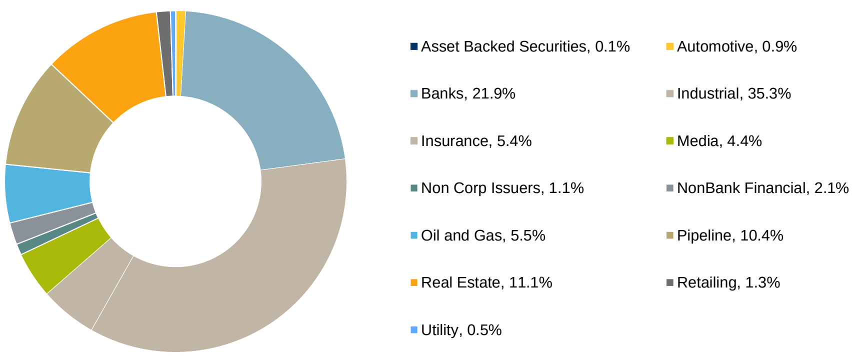
By Rating



By Maturity



By Industry Group



Effective Duration:	3.49 Years
Effective Yield:	7.30%
Average Term:	4.46 Years

Effective duration, effective yield, 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 -5.03% in the second quarter and -9.84% over the past year, underperforming its benchmark over both periods.

The continued surge in interest rate expectations around the world drove negative returns in global bonds. The fund underperformed its benchmark, mainly due to allocations to credit assets and emerging market bonds, as these assets underperformed global government bonds, which make up the entirety of the benchmark. The fund continues to be defensively positioned in credit, running lower-than-average levels of credit exposure and having a bias toward higher-quality securities. This protected the portfolio's performance to an extent, but the overall weakness in credit markets in the second quarter still dragged down relative performance.

The fund's positioning within global government bonds was mixed, providing similar returns to the benchmark. Underweight positioning in the U.S. and Japan was positive for relative performance, however, this was offset by detraction from overweight positions in issuers which we felt had more monetary policy action already priced in by markets, such as Canada and Poland. These issuers also saw yields rise sharply in the second quarter, which hurt fund performance. As a result, these positions were reduced during the quarter.

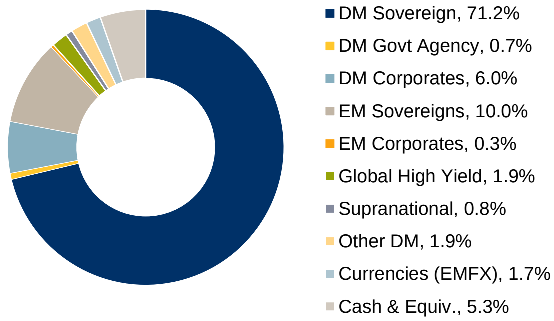
Credit positioning during the quarter was defensive, with the fund's primary exposures through short-maturity investment grade bonds and high-quality (primarily investment grade) emerging market bonds. As stated above, despite the defensive positioning, the fund's credit positions still detracted from performance as all credit assets declined, including high-quality investment grade bonds. As bond prices fell during the quarter and valuations became more attractive, the fund began selectively adding to its investment grade corporate bond exposure in short-maturity bonds – although positioning remains defensive by historical standards.

The fund's currency positioning was a slight detractor during the period as the Canadian dollar outperformed most global currencies in which it's invested. However, the fund is running very limited currency risk and therefore, the impact on fund performance was minimal. Currency positioning remains very modest at this time, with the fund's currency positions being reduced further during the quarter.

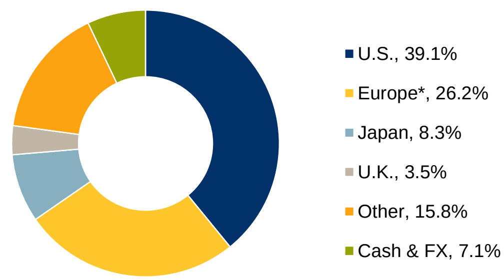
RBC Global Bond Fund
Portfolio Characteristics and Structure – as of June 30, 2022

As at June 30, 2022	Duration (Yrs)	Hedged Yield (%)	Avg. Rating
RBC Global Bond Fund	**7.99**	**3.96**	**AA**
Benchmark	*7.85*	*3.39*	*AA*

Asset Allocation Breakdown

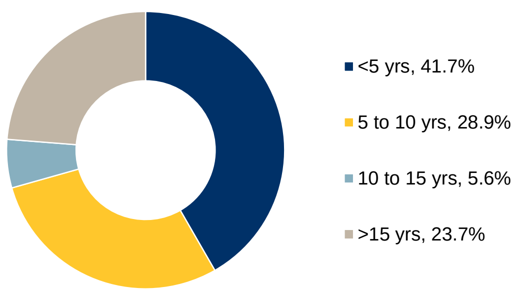


Regional Breakdown

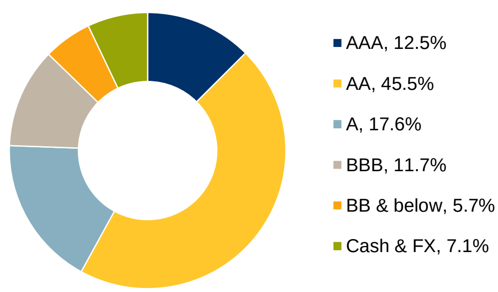


*Europe consists of European Monetary Union (EMU) members who qualify for inclusion in the FTSE WGBI index

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 5.29% in the second quarter and 13.89% over the past year, outperforming its benchmark over both periods.

The Fund's total return for the year was the result of strong leasing activity, which continued to support overall capital value growth through the first half of 2022. Over the period, rents saw positive uplifts on renewals and occupancy statistics remained strong. The positive operating trends across each of the Canadian real estate sectors helped offset the valuation pressure created by rising interest rates, as multiple factors continue to drive inflation levels and economic uncertainty globally. A high-quality portfolio in major markets exhibiting strong net operating income (NOI) growth, a conservative balance sheet with high liquidity, and low exposure to rising construction costs are all key elements that will help deliver stable returns in the current environment.

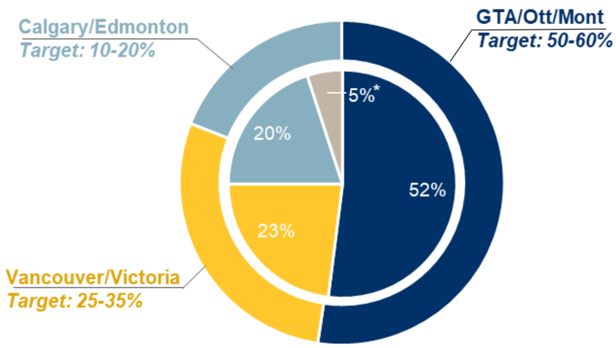
The fund has significant financial flexibility with a loan-to-value (LTV) of 16%, fully available revolver capacity, and no floating rate debt, having issued its inaugural green bond on March 2, 2022, raising $250M at an interest rate of 3.299% to pay down the floating rate revolving line of credit. The strength of the fund's balance sheet is a significant competitive advantage today.

The fund's investment program is now essentially set through the remainder of 2022, as the Tranche 4 acquisition process has commenced with an October 2022 targeted closing date. The Tranche 4 acquisition is a continuation of the Fund's "acquire-through-cycle" strategy and will once again focus on moving the fund towards its portfolio targets, further balancing sector exposures, and reinforcing the portfolio's diversity. Along with the incremental acquisition of existing assets, three new industrial assets will be added to the portfolio as part of Tranche 4, increasing the fund's total asset base to 68 properties.

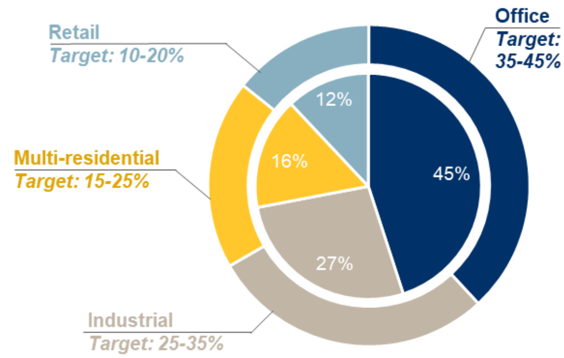
The fund's investment thesis remains simple and focused: maintain a very strong and liquid balance sheet; hold quality assets in core locations; invest in each asset's modernization; commit to high environmental, social, and governance standards; and build a diverse portfolio that is aligned with one of the country's most reputable operating platforms. This investment strategy is designed to deliver stability through any market cycle while retaining its adaptability and competitive advantage in working with BCI to refine the portfolio's positioning.

RBC Canadian Core Real Estate Fund – as at June 30, 2022

Geographic Breakdown[1]



Sector Breakdown[1]



* 'Other' = Hamilton, Kitchener, Cambridge, and Red Deer

Inner pie: Current allocations

Outer ring: Mid-term targets

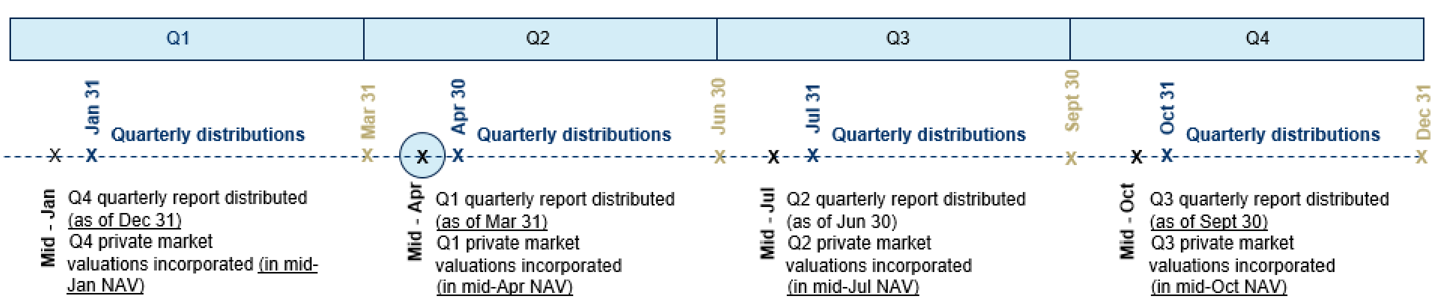
[1] *Based on Q2 2022 valuations. Portfolio characteristics are subject to change.*

Portfolio Profile	
Gross Assets[2]	$3.83B
Net Assets[2]	$3.20B
Number of 50%-owned properties	39
Number of 15%-owned properties	26
Loan-to-value at quarter-end[3]	16%

[2] As of June 30, 2022. Portfolio characteristics are subject to change.

[3] As of June 30, 2022. Calculated as outstanding principal of debt divided by total assets.

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



PH&N Canadian Equity Underlying Fund

The PH&N Canadian Equity Underlying Fund returned -13.0% in the second quarter and -3.23% over the past year, modestly outperforming its benchmark over both periods.

Overall, 4/11 sectors contributed positively to relative performance this quarter, led by Materials and Energy, while Consumer Staples and Utilities detracted the most. Top level and individual stock performance can broadly be explained by a few related and prevailing themes: declining commodity prices, rising inflation, labour shortages, and recession fears.

Commodity prices declined significantly this quarter as recession risks mounted, and our overweight position in copper mining company **First Quantum Minerals** was the fund's largest individual detractor from relative returns during the period. Our long-term view of First Quantum remains intact, as we believe it will benefit from attractive demand dynamics given copper's critical role in the energy transition. Our sector positioning in the Materials sector overall was additive to performance given our underweight positions in base metals and gold.

The Energy sector began the quarter with strong positive performance, but saw a sharp decline in June, ending the quarter in negative territory as smaller-cap, lower-quality oil and gas stocks in particular suffered declines. Our focus on large-cap, high-quality holdings, like **Cenovus** and **Suncor**, benefitted the fund, as these companies performed much better than their peers, posting strong positive returns in the period and ending the quarter as top contributors.

Positioning within the Consumer Staples sector – specifically, not owning grocers **Loblaw**, **Metro**, and **George Weston** – detracted from returns. These stocks did well as recession fears attracted investors to defensive companies. We believe there are some headwinds for grocers, including the world reopening and more people dining out instead of cooking at home, as well as consumers buying no name brands and switching from conventional to discount stores as they look to cut spending. We will continue to monitor these companies, though for now, we prefer **Dollarama** and **Alimentation Couche-Tard.**

Our overweight position in Info Tech holding **Nuvei** was a top individual detractor from returns this quarter. Nuvei facilitates payments, and has seen a decrease in volumes as consumers reduce their spending over recession fears. This is affecting other payments solution providers, though Nuvei has faced additional challenges in light of falling crypto currencies, which they have exposure to as they help facilitate transactions.

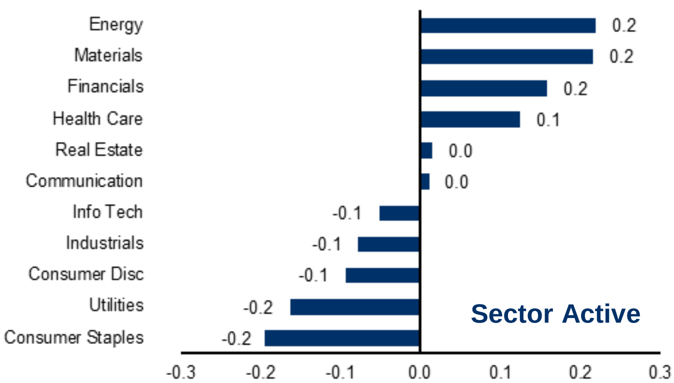
Small-cap holding **Lifeworks** was acquired by TELUS Health during the quarter, boosting the stock and making it a top contributor to returns this quarter. We view the transaction positively, as combining the two complementary offerings – Lifeworks' mental health offering and TELUS Health's primary care business – into a singular platform will be beneficial to their corporate client end users.

Looking ahead, we remain cautious due to an increasing risk of recession brought about by high commodity prices and high inflation. We are evaluating the stocks in our portfolio using a wider range of scenarios to reflect these risks and uncertainty, and we will make adjustments as needed.

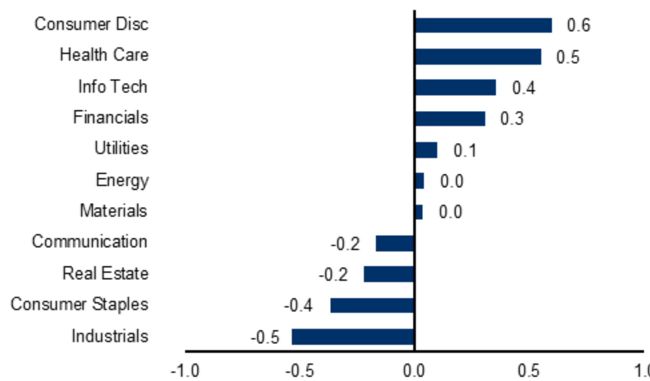
PH&N Canadian Equity Underlying Fund
Portfolio Attribution and Structure as of June 30, 2022

Fund Characteristics	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Canadian Equity Underlying Fund	**102**	**61.3**	**3.2**
S&P/TSX Capped Composite Index	*239*	*59.3*	*3.3*

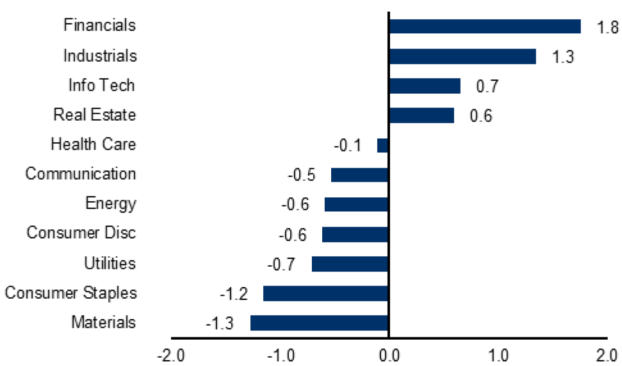
3 Month Attribution (%)



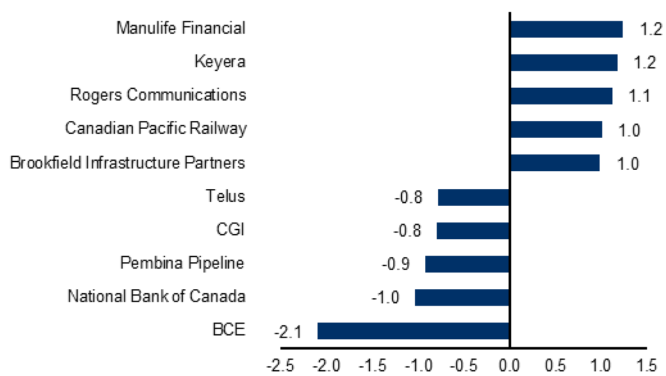
1 Year Attribution (%)



Weights (%)



Largest Active Weights (%)



PH&N Canadian Equity Value Fund

The PH&N Canadian Equity Value Fund returned -11.48% in the second quarter and 3.30% over the past year, outperforming its benchmark over both periods.

The fund has built a strong track record of resilience in challenging equity markets and the experience so far this year has been consistent with that pattern. Similar to the first quarter, it was our positioning and stock selection in the Info Tech and Energy sectors that contributed the most to outperformance. **Shopify**'s price correction continued in the second quarter, making our underweight position the largest contributor to our relative outperformance. As the share price declined, we continuously refreshed scenarios for the business and actively reduced our underweight as we now see a better risk/reward and return profile from these levels, based on reasonable growth assumptions. Our position in **TransAlta** was another notable contributor to relative returns as investors rewarded it for buying back shares while also pursuing a clean energy growth plan. Overweight positioning in integrated oil producers **Suncor Energy** and **Imperial Oil** added value, as the companies benefitted from elevated commodity prices. Offsetting these gains, two other large energy companies that we did not own – Cenovus Energy and Tourmaline Oil – performed well, detracting from our relative returns. **Tricon Residential** was hurt by rising interest rates in the most recent quarter, but we continue to like the single-family rental housing market longer term and Tricon Residential in particular due to its ability to grow rental income and expand its portfolio.

The market volatility experienced in the first half of the year presented opportunities to revisit our scenario analysis and adjust positioning in stocks where prices are already reflecting more pessimistic/recessionary expectations. As discussed earlier, through the quarter we reduced our underweight in **Shopify**, as valuations looked much more in line with growth expectations and risk/reward was not as skewed to the downside as before. We continue to have concerns related to their buildout of the Shopify Fulfilment Network (SFN), and this competitive overhang reinforces our cautious stance.

Turning to the Financials sector, our bank positioning remains broadly neutral, however we made a few adjustments within the sub-sector. For example, we trimmed our position in **Royal Bank** as its valuation reached a significant premium to the peer group, reflecting its safe haven qualities. We used the proceeds to add to our holdings in **National Bank** and **Toronto-Dominion Bank** as their valuations improved, reducing underweights in both. While banks are one of the first industries to be impacted by a slowing economy, they are well positioned to manage through a potential downturn given their strong capital position. They have also proven to be solid capital compounders over time, and we view a neutral stance in this part of the market as appropriate at the moment. We continue to be overweight diversified financials and insurance companies with key holdings in **Brookfield**, **Power**, and **Intact**, as we generally appreciate the strength of global asset managers and the defensiveness of insurers.

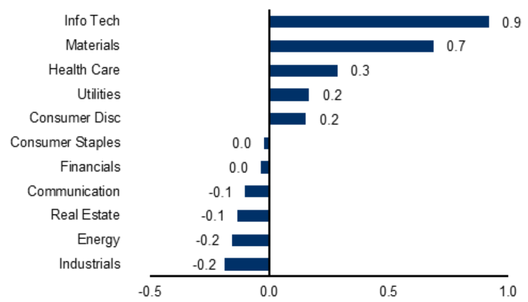
Within the Consumer Staples sector, grocers have experienced a rerating as investors look for defensive and high-quality holdings. They are also seen as beneficiaries of the current inflationary environment. We took profits in **Loblaw**, but continue to hold it indirectly through our overweight in **George Weston**.

PH&N Canadian Equity Value Fund
Portfolio Attribution and Structure as of June 30, 2022

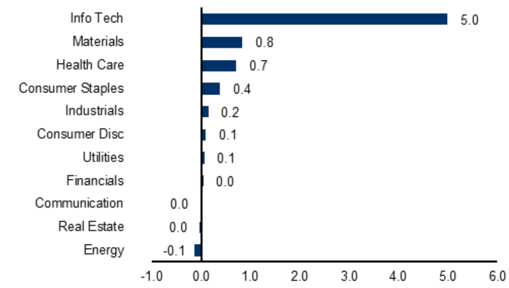
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Canadian Equity Value Fund	**82**	**62.8**	**3.3**
S&P/TSX Capped Composite Index	*239*	*59.3*	*3.3*

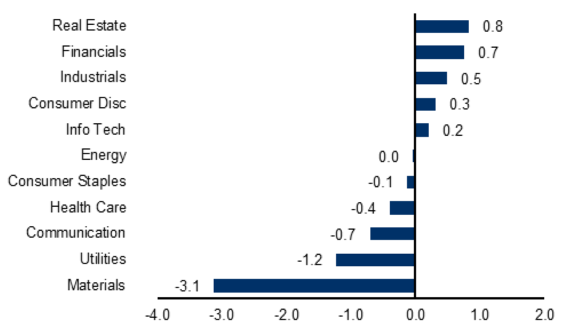
3 Month Attribution (%)



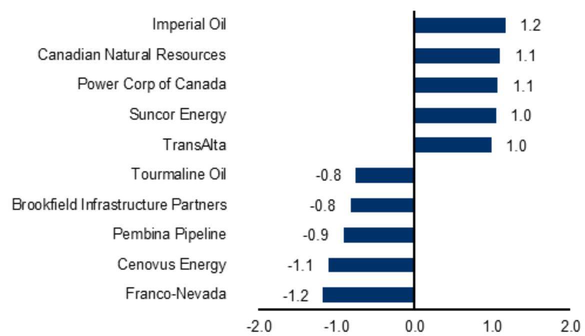
1 Year Attribution (%)



Sector Active Weights (%)



Largest Active Weights (%)



PH&N Small Float Fund

The PH&N Small Float Fund returned -12.80% in the second quarter and -12.84% over the past year, outperforming its benchmark over the quarter but underperforming over the one-year period.

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.

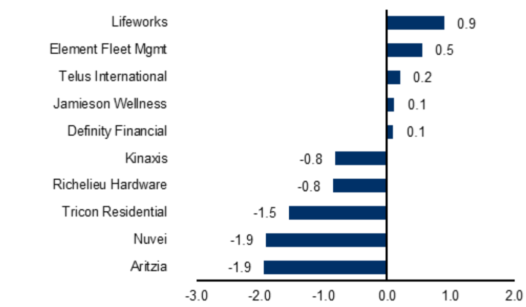
The PH&N Small Float Fund outperformed its benchmark in the second quarter of 2022. It maintains a strong, long-term track record of outperformance. **LifeWorks** was up meaningfully due to the announcement that Telus will acquire LifeWorks in order to combine Telus Health's primary-care-focused platform with LifeWorks' leading employee-assistance business. This combination makes strategic sense given the highly complementary nature of the businesses and cross-sell opportunities as customers seek to consolidate health service providers. **Element Fleet Management** appreciated strongly in the quarter as earnings results showed a rebound in business fundamentals from depressed levels. Originations picked up as auto production capacity improved and client order activity remained strong. **Jamieson** performed well in the quarter as they continued to deliver solid quarterly earnings results and announced the acquisition of Nutrawise Health & Beauty and their Youtheory brand. Youtheory gives Jamieson a strong foothold in the U.S. market.

Nuvei shares were down significantly in the quarter, in tandem with other payment processing businesses, due to concerns over a recession leading to lower transaction volumes. At this point, we believe a significant downturn is priced into the stock and longer-term risk/reward is improving. **Aritzia** was weak in the quarter as their growth stock multiple continued to face pressure and there were concerns about the announcement that their founder was stepping down as CEO and becoming the board chairman. We think the market has overreacted to this announcement as we believe he will be very involved in executing on the large growth opportunity that Aritizia has in front of it. **Tricon Residential** was down in the quarter alongside weak performance overall in the real estate sector. Rapidly rising interest rates and economic uncertainty drove public market implied real estate valuations sharply lower in the quarter. Despite this, business fundamentals have not shown any signs of weakness as the single family rental segment continues to deliver strong rent growth and the company's private funds and advisory business continues to see momentum in growing third party capital under management.

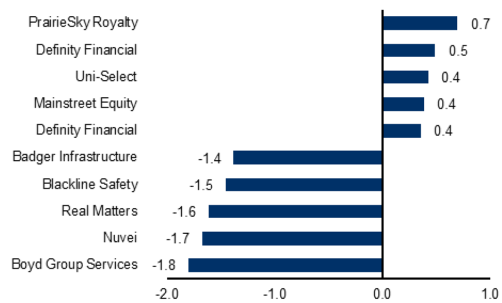
PH&N Small Float Fund
Portfolio Attribution and Structure as of June 30, 2022

Fund Characteristics	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Small Float Fund	**33**	**3.3**	**1.6**
S&P/TSX Capped Composite Index	*239*	*59.3*	*3.3*

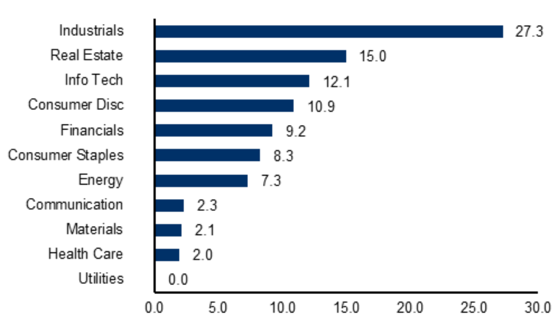
3 Month Attribution (%)



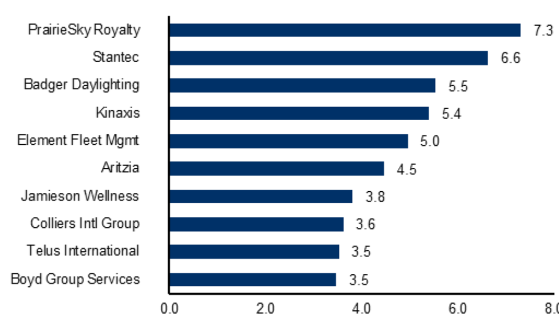
1 Year Attribution (%)



Sector Weights (%)



Top 10 Holdings (%)



RBC Global Equity Focus Fund

The RBC Global Equity Focus Fund returned -13.00% in the second quarter and -16.24% over the past year, outperforming its benchmark over the quarter but underperforming over the one-year period.

Broad market themes, including high inflation, rising interest rates, the Russia-Ukraine war, elevated energy prices, China's zero-tolerance COVID policy, and continued supply chain disruptions had a significant influence in determining the portfolio's largest contributors and detractors.

In Health Care, the portfolio's position in **UnitedHealth Group** was among the largest contributors to performance. The share price of the U.S. health care and insurance business rose to an all-time high in April after the company reported strong first quarter results, including double-digit revenue growth in both its Optum and UnitedHealthcare segments, and increased its earnings outlook.

Since being added to the portfolio in January, **PepsiCo** has been among the top contributors to performance. Despite facing significant input cost and supply chain pressures, PepsiCo managed to expand margins and exceed revenue expectations. We believe PepsiCo possesses a number of distinct competitive advantages that will allow the business to thrive in the current environment and compound value over the long term, including: strong brand equity in over 200 countries, a diversified and complementary portfolio of convenient foods and beverages, and its direct-store-delivery distribution network. We also feel the business is in a good position to leverage its competitive strengths to expand across geographies and reach more health conscious consumers with its new offerings.

Norwegian energy company **Equinor** was also added to the portfolio in January and has also been a key contributor to performance. Equinor is committed to being a leader in the energy transition and has set a clear path to reach net zero by 2050. Equinor is executing on its strategy of recycling cash flows from its oil and gas assets to accelerate growth in wind, solar, carbon capture, and hydrogen solutions. Equinor's business has perhaps never been more vital, since Russia's Gazprom curtailed gas supply to Europe, threatening Europe's energy security and forcing Germany to consider bringing coal plants back online. As the second-largest gas provider to Europe after Gazprom, Equinor's business is indispensable in ensuring homes, businesses, and critical infrastructure remained powered.

In contrast, **Nvidia** was among the largest detractors from performance. Although the company exceeded consensus revenue and earnings expectations, management signalled short-term demand in gaming was likely to weaken due to the economic hit from lockdowns in China and the suspension of sales to Russia. Our long-term view of the business's strengths remain intact and we believe Nvidia chips play crucial roles in numerous markets with strong tailwinds such as gaming, professional visualization, autonomous driving, and data centres.

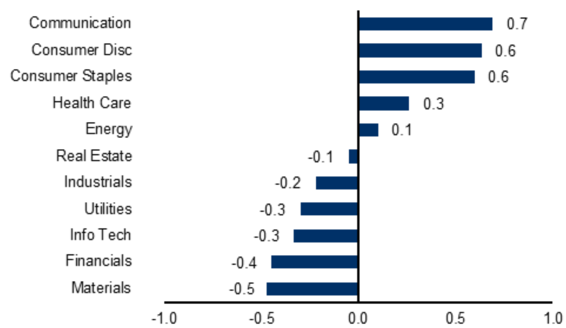
The portfolio's position in copper miner **First Quantum** was also a drag on performance. The stock price suffered dual headwinds in the form of a sharp decline in the price of copper, and weaker production guidance due to weather challenges at key mines.

RBC Global Equity Focus Fund
Portfolio Attribution and Structure as of June 30, 2022

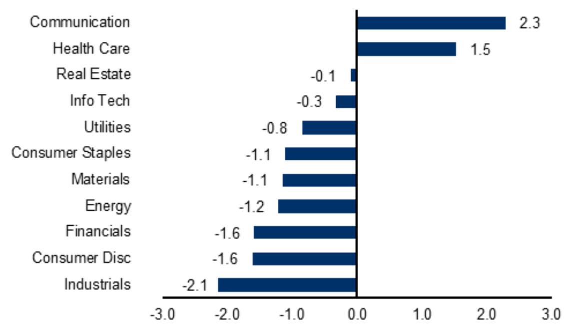
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC Global Equity Focus Fund	**36**	**459.1**	**1.6**
MSCI World Net Index C$	*1513*	*432.3*	*2.3*

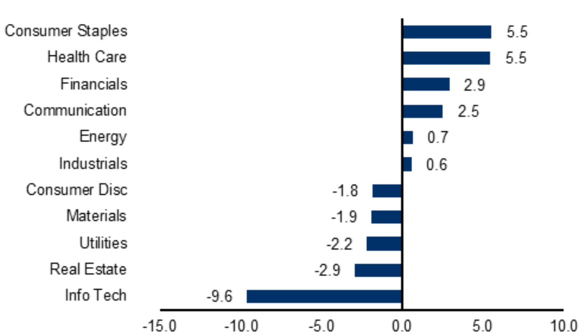
3 Month Attribution (%)



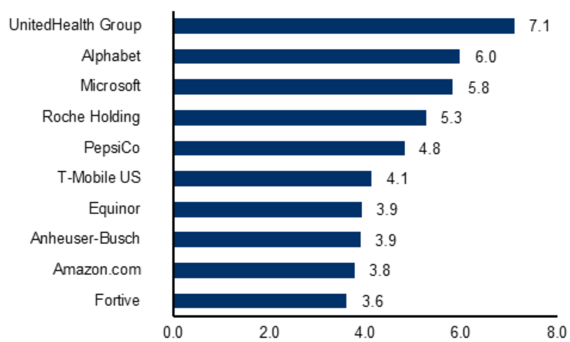
1 Year Attribution (%)



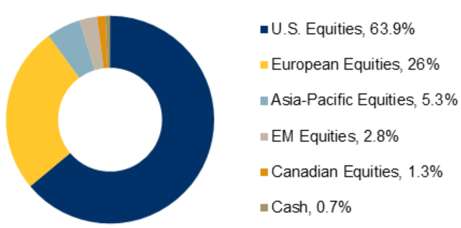
Sector Active Weights (%)



Top 10 Holdings (%)



Regional Breakdown (%)



RBC QUBE Global Equity Fund

The RBC QUBE Global Equity Fund returned -13.18% in the second quarter and -11.27% over the past year, outperforming its benchmark over the quarter but underperforming over the one-year period.

Amidst the macroeconomic uncertainty and corresponding volatility within equity markets, this quarter's sell-off prompted investors to flock to high-quality, defensive companies that have proven their ability to provide consistent profitability and cash flows in challenging economic environments. As such, our multi-factor model saw contributions stemming from our Profitability and Quality factors, which led to the fund modestly outperforming its benchmark.

Partially offsetting the positive alpha from Profitability and Quality was poor performance from our Technical (momentum) factor. This factor provides a signal of changes in the company's fundamental momentum, and typically signals changes before they show up in analysts' estimates or target prices. This is a result we would expect during a market drawdown, as investors sell shares of companies that have previously been winners.

In terms of sector attribution, our overweight allocation to the Information Technology sector and underweight allocation to the Consumer Discretionary sector contributed the most to relative performance, while our underweight allocation to the Real Estate sector and overweight allocation to the Materials sector were the largest detractors.

At an individual stock level, our underweight position in e-commerce company **Amazon** and our overweight position in **Coca-Cola** contributed the most to relative performance, while our overweight positions in human resource consulting firm **Robert Half** and internet infrastructure service provider **Verisign** were the largest detractors.

We increased our overweight position in **Costco**, predominantly due to strong improvements in the stock's Analyst score in our model. Also, we initiated an overweight position in refining business **Marathon Petroleum**. The company's Q1/22 results were solid, with revenues up 72% year-over-year. Furthermore, free cash flow has been strong in four out of the past five quarters, and in our model, the stock's Growth score meaningfully improved and its Quality score is now exceptionally high.

We decreased our overweight position in **Colgate-Palmolive**. The company's Q1/22 sales and earnings were in line with expectations, but guidance for the year was lowered due to expected continued cost pressures for raw materials and logistics challenges. As such, the stock's Analyst and Sentiment scores deteriorated over the quarter and prompted us to reduce our exposure. The company did note, however, that supply chain issues are improving and product availability in the U.S. is getting close to normal levels. Finally, we eliminated our overweight positions in **Verisign** and **Advanced Micro Devices**. Verisign's growth has been slow over the past few years, resulting in decelerating revenue growth and a particularly poor and declining Analyst score. In terms of Advanced Micro Devices, the company's large acquisition of Xilinx finally closed this quarter, which means the stock's Quality score will be negatively impacted for the next several quarters.

RBC QUBE Global Equity Fund
Portfolio Attribution and Structure as of June 30, 2022

Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC QUBE Global Equity Fund	**229**	**424.4**	**2.8**
MSCI World Net Index C$	*1513*	*432.3*	*2.3*

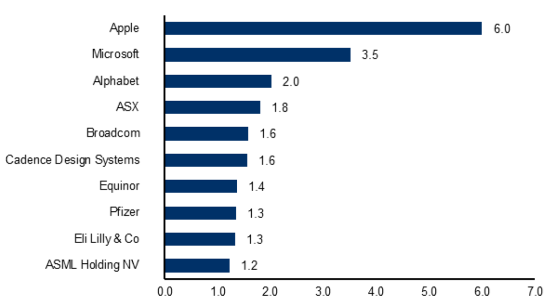
Factor Performance

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

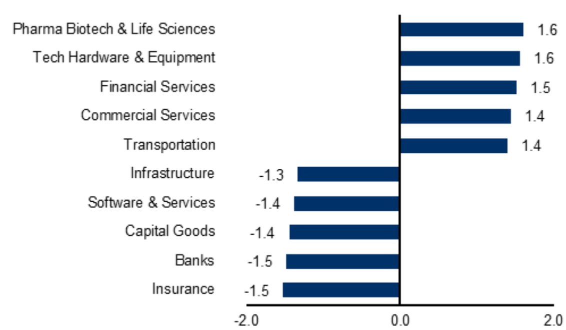
Illustrative Portfolio Metrics

	Fund	Benchmark
Forward Return on Equity (Profitability)	39.8%	***28.1%***
Forward P/E (Value)	11.9x	***15.1x***
Goodwill Growth (Quality)	0.7%	***2.2%***
Free Cash Flow Growth (Growth)	19.9%	***3.3%***

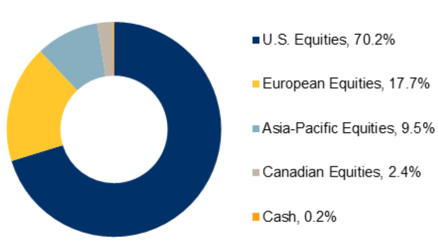
Top 10 Holdings (%)



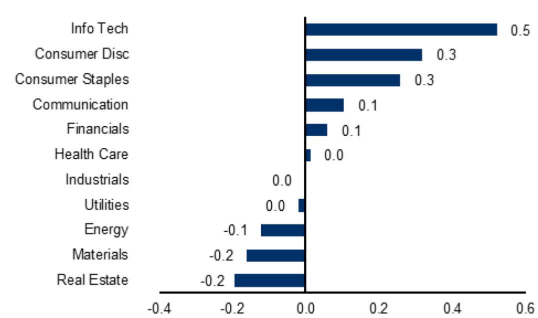
Largest iGICS Sector Active Weights (%)



Regional Breakdown (%)



3 Month Attribution (%)



RBC Global Equity Leaders Fund

The RBC Global Equity Leaders Fund returned -12.33% in the second quarter and -15.41% over the past year, outperforming its benchmark over the quarter but underperforming over the one-year period.

Broad market themes, including high inflation, rising interest rates, the Russia-Ukraine war, elevated energy prices, China's zero-tolerance COVID policy, and continued supply chain disruptions had a significant influence in determining the portfolio's largest contributors and detractors. In terms of sectors, Consumer Staples and Communications Services were the top contributors, while Information Technology and Industrials detracted the most.

In Health Care, the portfolio's position in **UnitedHealth Group** was among the largest contributors to performance. The share price of the U.S. healthcare and insurance business rose to an all-time high in April after the company reported strong first quarter results, including double digit revenue growth in both its Optum and UnitedHealthcare segments, and increased its earnings outlook.

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Norwegian energy company **Equinor** was also added to the portfolio in January and has also been a key contributor to performance. Equinor is committed to being a leader in the energy transition and has set a clear path to reach net zero by 2050. Equinor is executing on its strategy of recycling cash flows from its oil and gas assets to accelerate growth in wind, solar, carbon capture, and hydrogen solutions. Equinor's business has perhaps never been more vital, since Russia's Gazprom curtailed gas supply to Europe, threatening Europe's energy security and forcing Germany to consider bringing coal plants back online. As the second-largest gas provider to Europe after Gazprom, Equinor's business is indispensable in ensuring homes, businesses, and critical infrastructure remained powered.

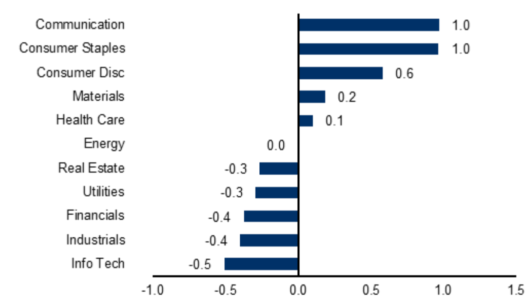
In contrast, **Nvidia** was among the largest detractors from performance. Although the company exceeded consensus revenue and earnings expectations, management signalled short-term demand in gaming was likely to weaken due to the economic hit from lockdowns in China and the suspension of sales to Russia. Our long-term view of the business's strengths remain intact and we believe Nvidia chips play crucial roles in numerous markets with strong tailwinds such as gaming, professional visualization, autonomous driving, and data centres.

RBC Global Equity Leaders Fund
Portfolio Attribution and Structure as of June 30, 2022

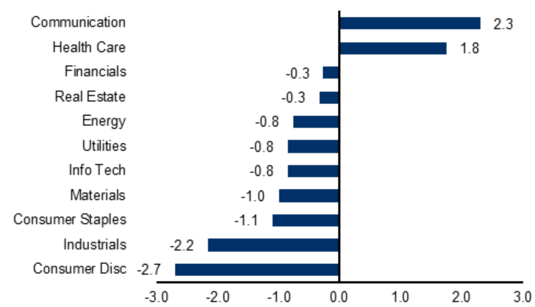
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC Global Equity Leaders Fund	**25**	**509.3**	**2.0**
MSCI World Net Index C$	*1513*	*432.3*	*2.3*

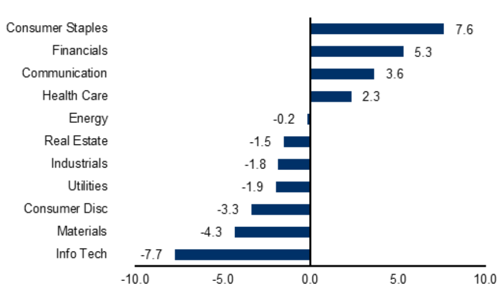
3 Month Attribution (%)



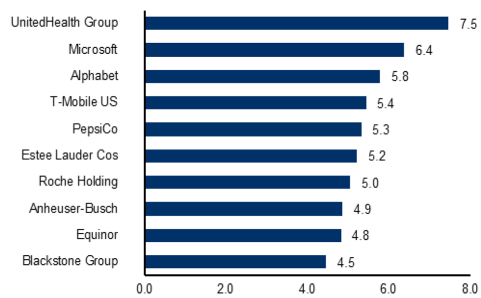
1 Year Attribution (%)



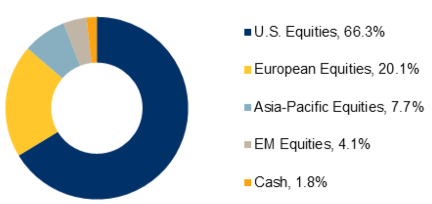
Sector Active Weights (%)



Top 10 Holdings (%)



Regional Breakdown (%)



RBC Emerging Markets Equity Fund

The RBC Emerging Markets Equity Fund returned -7.40% in the second quarter and -18.12% over the past year, outperforming its benchmark over the quarter but underperforming over the one-year period.

At the sector level, security selection was the main driver of outperformance. From a top-down standpoint, having a sizeable overweight to Consumer Staples and being underweight Materials helped mitigate headwinds from having zero exposure to Energy and Utilities, both of which outperformed the broader EM universe. Being underweight Consumer Discretionary and overweight Information Technology (IT) also detracted from relative returns. From a bottom-up standpoint, however, stock selection proved stronger in IT than in any other sector. Stock selection within the Financials sector was also positive.

From a country perspective, security selection also drove outperformance. Choices within India and Taiwan proved particularly strong, outweighing the negative impact from stock selection within Chile and Brazil. Asset allocation decisions had a muted impact at the portfolio level, despite the portfolio being underweight China, EM's best-performing market over the quarter. Being underweight South Korea was beneficial for relative returns following another weak period for the country.

At a stock level, Indian automobile and tractor manufacturer **Mahindra & Mahindra** was the fund's top relative performer, with shares in the company surging over 35% in the quarter. The company's auto and farm segments have done well, and its focus on SUVs has resulted in market share gains. Looking ahead, the company has a robust order book in place and demand dynamics across autos are improving, and it also reported strong Q1 results that exceeded expectations.

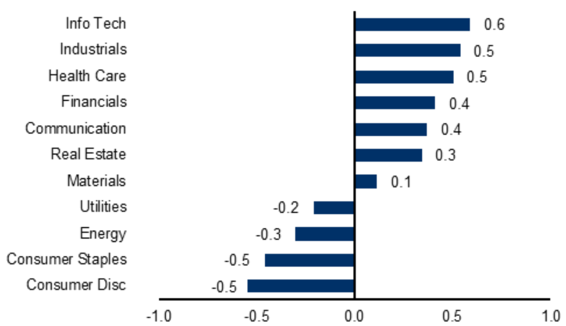
A number of the fund's Chinese holdings also contributed to relative value. Chinese restaurant operator **Yum China** rebounded in the second half of Q2, with worries around COVID lockdowns and associated restrictions easing to provide a welcome boost to the Chinese consumer sector. The company's delivery offering is strong compared to peers, and Yum China benefitted from the resumption of delivery and takeaway services in various outlets. Within Financials, insurer **AIA Group** saw its stock price rebound amid market expectation that new business value will grow in the second half of the year as Hong Kong reopens. The Chinese real sector also experienced a rebound, as monetary easing drove a rebound in property sales in the country. This benefitted our position in developer **China Resources Land**, which saw its share price rise nearly 9% on the quarter.

Turning to detractors from relative performance, a reversal in commodity prices resulted in a sell-off across much of Latin America. This weighed on some of the fund's key holdings in the region, including Chilean copper miner **Antofagasta**, which saw its stock drop following a strong Q1. Copper was among the metals that plummeted in price in June as part of a widespread commodity sell-off, and a lack of clarity about the outcome of constitutional reforms in Chile was also detrimental, along with worries about potential increases in mining royalties. Elsewhere in the region, Brazilian stock exchange **B3** gave back some of its first quarter gains in a weak quarter for Brazilian financials more broadly; worries about equity trading velocity amidst falling interest rates and increased interest in fixed income also had an impact.

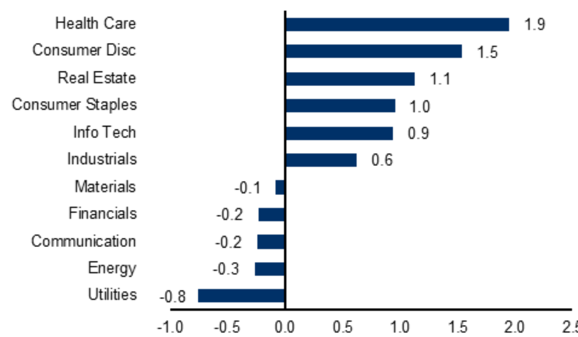
RBC Emerging Markets Equity Fund
Portfolio Attribution and Structure as of June 30, 2022

Fund Characteristics	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
RBC Emerging Markets Equity Fund	**48**	**120.7**	**2.8**
MSCI Emerging Markets Net Index C$	*1382*	*139.1*	*3.5*

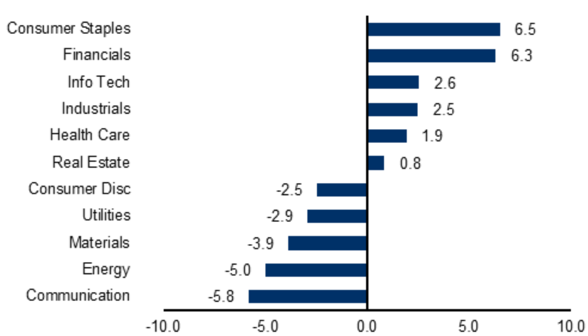
3 Month Attribution (%)



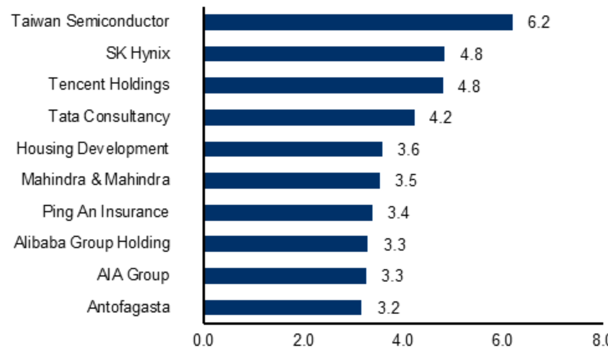
1 Year Attribution (%)



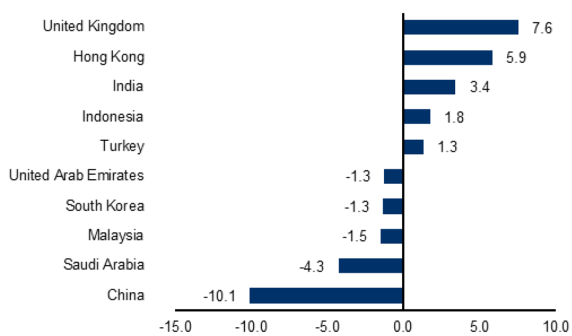
Sector Active Weights (%)



Top 10 Holdings (%)



Top Five/Bottom Five Country Active Weights (%)



* UK exposure includes the fund's position in Unilever and two EM companies that list on the LSE (Antofagasta and Mondi)