

# PH&N Bond Fund

## Fund Performance

Performance Comparison as of March 31, 2022 (%)							
	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
<b>PH&amp;N Bond Fund</b>	<b>-6.70</b>	<b>-4.04</b>	<b>-0.46</b>	<b>1.26</b>	<b>2.25</b>	<b>2.08</b>	<b>3.02</b>
<i>FTSE Canada Universe Bond Index</i>	-6.97	-4.52	-1.50	0.45	1.63	1.58	2.55
Relative Performance	+0.27	+0.48	+1.04	+0.81	+0.62	+0.50	+0.47

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, 2022 (%)		
	Relative Performance	
	3 Mo	1 Yr
Interest rate anticipation		
Duration & yield curve	0.17	0.19
Real return bonds	0.00	0.06
Foreign sovereign bonds	0.00	0.00
Credit & liquidity		
Provincial and quasi-government bonds	0.04	0.08
Investment grade corporate bonds	0.06	0.16
Other		
Strategy interaction/other	0.00	-0.01
<b>Total</b>	<b>+0.27</b>	<b>+0.48</b>

## First Quarter Review

### Strategy Summary for Quarter Ending March 31, 2022 (relative contribution to duration exposure)

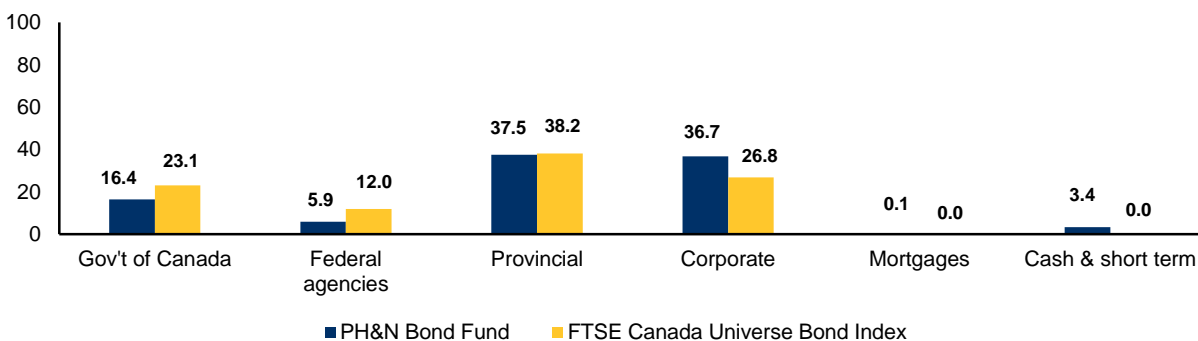
Strategy	Change Over Q1	Position Ending Q1	Our View
Duration & Yield Curve	Increased	Slight long duration	Tactical contrarian view based on belief that sentiment and investor positioning is stretched
Real Return Bonds	Decreased	Small position	Long-term market-implied inflation expectations have risen but remain below the BoC's 2% inflation target
Foreign Sovereign Bonds	Unchanged	No position	Monitoring the yield differential between foreign sovereigns and Government of Canada bonds
Provincial and Quasi-Government Bonds	Unchanged	Medium overweight in provincials; underweight in federal agencies	Valuations more attractive for provincial bonds relative to federal agencies
Investment Grade Corporate	Increased	Medium overweight	Adding exposure opportunistically in areas where we see more compelling valuations and new issue concessions

- The strong economic recovery continued over the quarter, while inflationary pressures remained elevated, exacerbated by the Russian/Ukraine conflict. As such, the Bank of Canada continued its shift toward a less accommodative monetary policy stance by raising its policy rate and announcing an end to the government bond purchase program. Government of Canada bond yields rose sharply over the quarter alongside heightened volatility, resulting in negative bond returns.
- Active positioning within both interest rate anticipation and credit and liquidity strategies resulted in the portfolio finishing the quarter ahead of the benchmark. Overall, the portfolio's risk budget remained focused on credit and liquidity strategies, and we added to the portfolio's credit exposure opportunistically on the back of more attractive valuation levels.
- The portfolio's duration and yield curve positioning was a meaningful contributor to relative performance, with the portfolio ending the quarter with a slight tactical long relative duration position.
- The small out-of-benchmark position in real return bonds was a neutral contributor to performance as market-implied long-term inflation expectations were unchanged quarter over quarter.
- Tactical trading within provincial and government agency bonds contributed to relative performance despite slightly wider spreads over the quarter.
- The portfolio's overweight to investment grade corporate bonds added value due to conservative positioning toward higher-quality as spreads widened.

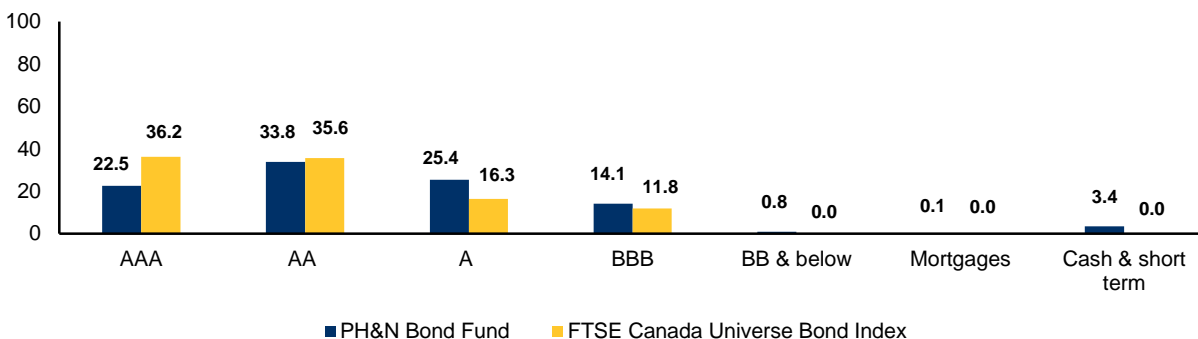
# PH&N Bond Fund Portfolio Structure as of March 31, 2022

Fund Characteristics			
	Modified Duration (Yrs)	Term to Maturity (Yrs)	Yield to Maturity (%)
PH&N Bond Fund	7.87	10.92	3.09
FTSE Canada Universe Bond Index	7.84	10.61	3.02

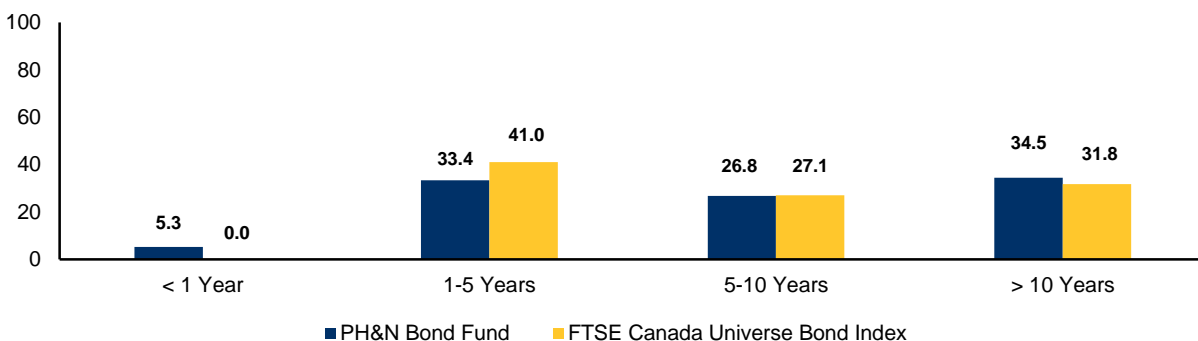
## Issuer Analysis (%)



## 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.