

PH&N Bond Fund

Fund Performance

Performance Comparison as of June 30, 2022 (%)							
	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr
PH&N Bond Fund	-5.64	-10.99	-6.37	-1.51	0.63	0.68	2.24
<i>FTSE Canada Universe Bond Index</i>	-5.66	-11.39	-7.02	-2.30	0.04	0.18	1.72
Relative Performance	+0.02	+0.40	+0.65	+0.79	+0.59	+0.50	+0.52

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 June 30, 2022 (%)		
	Relative Performance	
	3 Mo	1 Yr
Interest rate anticipation		
Duration & yield curve	0.00	0.19
Real return bonds	0.00	0.05
Foreign sovereign bonds	0.00	0.00
Credit & liquidity		
Provincial and quasi-government bonds	-0.02	0.06
Investment grade corporate bonds	0.03	0.11
Other		
Strategy interaction/other	0.01	-0.01
Total	+0.02	+0.40

Second Quarter Review

Strategy Summary for Quarter Ending June 30, 2022 (relative contribution to duration exposure)

Strategy	Change Over Q2	Position Ending Q2	Our View
Duration & Yield Curve	Decreased	Slight short duration	Uncertain economic outlook and volatile rate environment prompting modest duration positioning
Real Return Bonds	Eliminated	No position	Long-term market-implied inflation expectations in line with our view of fair value
Foreign Sovereign Bonds	Unchanged	No position	Monitoring the yield differential between foreign sovereigns and Government of Canada bonds
Provincial and Quasi-Government Bonds	Decreased	Moderate overweight in provincials; underweight in federal agencies	Valuations more attractive for provincial bonds relative to federal agencies
Investment Grade Corporate	Decreased	Moderate overweight	Reducing exposure and increasing focus on high-quality credits against backdrop of potential economic slowdown and rising recession risk

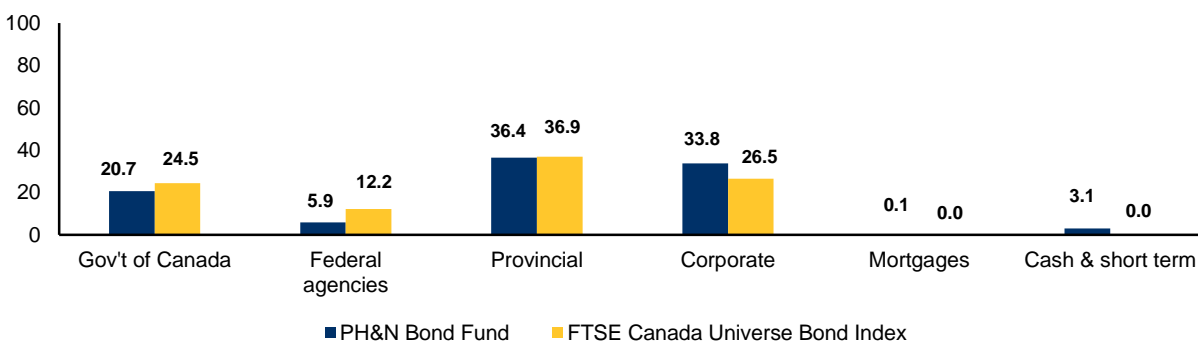
- Over the quarter, inflation data continued to exceed market expectations, and central banks increased policy rates aggressively in response. This prompted a significant rise in bond yields across the yield curve for the second consecutive quarter, with the 10-year Government of Canada bond yield now 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 neutral 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.

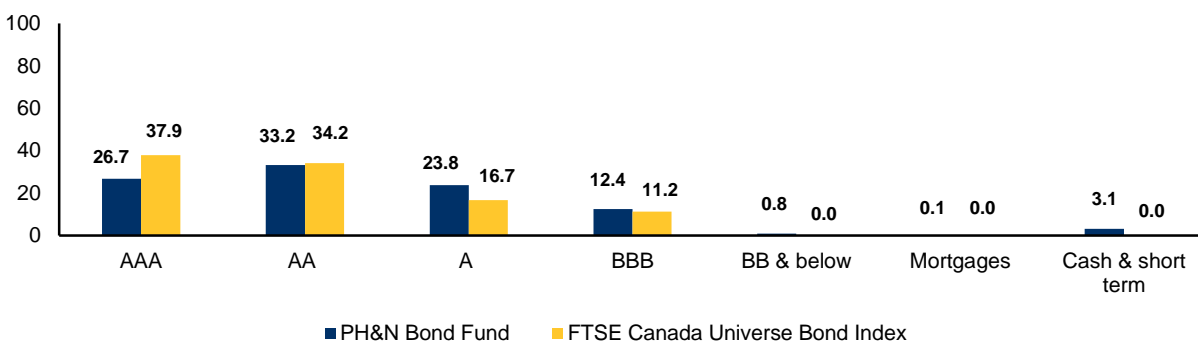
PH&N Bond Fund Portfolio Structure as of June 30, 2022

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

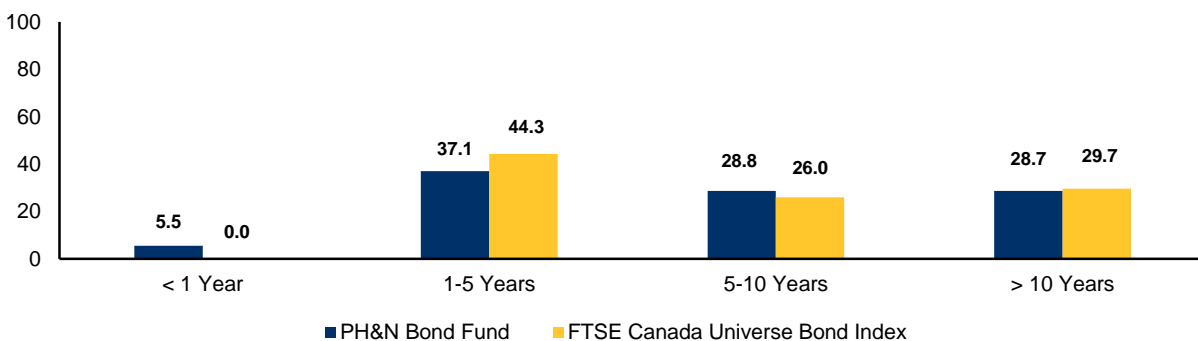
Issuer Analysis (%)



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.