PH&N Dividend Income 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 Dividend Income Fund	**-10.71**	**5.12**	**20.32**	**10.41**	**9.41**	**9.11**	**9.90**
*S&P/TSX Capped Composite Index**	*-13.19*	*-3.87*	*13.43*	*7.97*	*6.93*	*7.62*	*8.18*
Relative Performance	+2.48	+8.99	+6.89	+2.44	+2.48	+1.49	+1.72

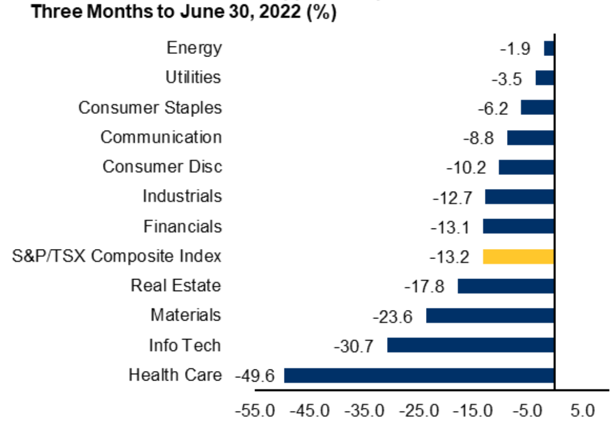
Series O returns. Total returns are gross-of-fee and reported in Canadian dollars. Periods less than one year are not annualized.

*The benchmark for the fund is 2/3 S&P/TSX Dividend Index + 1/3 S&P/TSX Dividend Index (excluding Energy and Materials but including Oil & Gas Refining & Marketing and Oil & Gas Storage & Transportation sub-industries). The S&P/TSX Capped Composite Total Return Index is provided, as it is a widely used benchmark for the Canadian equity market. While the fund uses this index for performance comparisons, it is managed relative to the stated benchmark. There are differences such as security holdings, geographic and sector allocation, which impact comparability. As a result, the fund may experience periods when its performance differs materially from the index.

The PH&N Dividend Income Fund (DIF) is a dividend strategy that is designed to outperform the S&P/TSX Capped Composite Index over a full market cycle. The DIF provides exposures to a well-diversified portfolio of high-dividend-paying Canadian companies that are industry leaders with strong balance sheets. The intention is not to reach for the highest yield paid by riskier companies but to invest in companies that have a track record of stable and gradually increasing dividends. We believe security selection is the key to investment outperformance, and therefore we are focused on stock selection rather than sector allocation.

Performance Highlights

Performance of S&P/TSX Capped Composite Index Sectors Three Months to June 30, 2022 (%)



Equity markets struggled globally this quarter, including the Canadian equity market, which declined 13.2%. Against this backdrop, the fund posted a return of -10.7%, outperforming its benchmark.

Overall, 8/11 sectors contributed positively to relative performance this quarter, led by Information Technology and Materials while Energy and Industrials 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 a top 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. Not owning **Cenovus** was the top individual detractor from returns this quarter as its stock performed much better than peers, posting strong positive returns in the period. We don't own Cenovus because of its inconsistent dividend in the past couple of years.

Within the Consumer Staples sector, our overweight position in **Loblaw** contributed positively to returns. Grocers performed well this quarter as recession fears attracted investors to defensive companies. We do recognize that grocers are facing some headwinds, 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 monitor this holding accordingly. Similarly, **Dollarama** performed well this quarter as consumers managed spending by focusing more on lower-cost alternatives, like those offered by Dollarama. Our overweight in the fund was a top contributor to relative returns this quarter.

Our overweight position in **Element Fleet Management** was a top contributor to returns during the period after they announced better than expected quarterly results, including an increased use of services that leverage existing capital.

Industrials holding **SNC-Lavalin** performed poorly this quarter after posting quarterly results that were more negative than expected; specifically, their construction losses were disappointing. We continue to have conviction in our position and believe that the current share price is discounting outsized losses.

Trading and Positioning

We initiated a position in Consumer Staples holding **Saputo** during the quarter. We believe their U.S. segment will raise prices in order to keep pace with inflation, and we expect a normalization of supply chains to help the company as well. We do acknowledge near-term challenges, particularly related to labour shortages and cost inflation, but we believe that there is strong earnings growth potential over the next three years based on the strategic plan they've laid out.

Brookfield Asset Management, a high-conviction holding, was down during the quarter due to recession risks weighing on investor sentiment towards Financials more broadly. We took advantage of stock weakness and added to our position, better aligning our exposure with our risk/reward outlook.

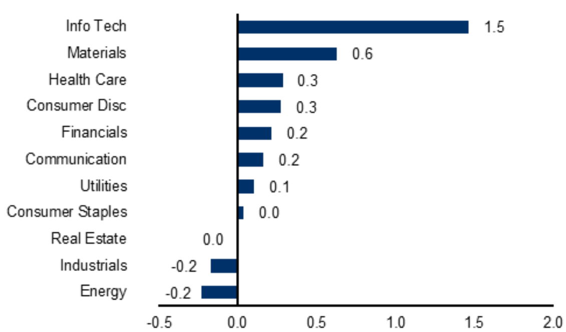
Looking ahead, we remain cautious due to an increasing risk of recession brought about by high commodity prices and high inflation. We are evaluating the stocks in our portfolio using a wider range of scenarios to reflect these risks and uncertainty, and we will make adjustments as needed. While the Canadian banks have fallen from their highs, we will continue to manage our current exposure with an emphasis on more defensive banks. We remain comfortable with our Energy exposure, which is focused on high-quality large-cap companies that have been able to improve their balance sheets through debt repayment with free cash flow generated by above breakeven oil prices.

PH&N Dividend Income Fund
Portfolio Attribution and Structure as of June 30, 2022

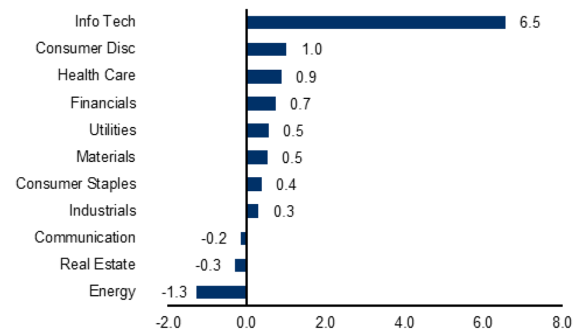
Fund Characteristics

	# of Holdings	Avg Market Cap (C$ billions)	Dividend Yield (%)
PH&N Dividend Income Fund	**52**	**67.3**	**3.5**
S&P/TSX Capped Composite Index	*239*	*59.3*	*3.3*

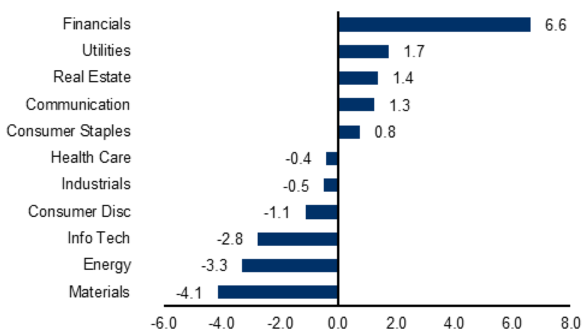
3 Month Attribution (%)



1 Year Attribution (%)



Sector Active Weights (%)



Largest Active Weights (%)