



Portfolio Review: The Lakeshore General Hospital Foundation

Kathy Fazel, CFA
Senior Investment Counsellor

Maya Kabbara, CFA, MBA
Investment Counsellor

August 19, 2024



Wealth Management
PH&N Investment Counsel

Agenda

<u>Item</u>	<u>Topic</u>	<u>Time (mins)</u>	<u>Speaker</u>
1.	Welcome & Introductions	-	RV
2.	RBC Presentation Topics to discuss: <ul style="list-style-type: none">• Portfolio Implementation• Portfolio positioning update including comments of underlying funds• Tactical asset mix views• Performance of underlying funds vs benchmark• Underlying investment team updates	30-45	ALL

Summary of Foundation Portfolio by Asset Class

As of June 30, 2024

Asset Class	Current Market Value	Current Strategic Target %	Strategic Target %
Cash & Cash Equivalents	89,042	2.0	2.0
Canadian Dollars	578	0.0	
PH&N Canadian Money Market Fund	88,463	2.0	
Fixed Income	2,133,260	48.0	48.0
PH&N Total Return Bond Fund	2,133,260	48.0	
Canadian Equity	431,090	9.7	10.0
PH&N Canadian Equity Value Fund	431,090	9.7	
Global Equity	1,795,181	40.4	40.0
RBC Global Equity Leaders Fund	894,410	20.1	
RBC QUBE Global Equity Fund	900,771	20.2	
Total	4,448,572	100.0	100.0

Investment Returns

As of June 30, 2024

Since May 1, 2024

Your Portfolio	1.50
Fixed Income	1.22
FTSE TMX Can Universe Bond Index	1.13
Canadian Equities	-1.35
S&P/TSX Capped Composite Index	-1.42
Global Equity	2.58
MSCI World (CAD)	2.42

Notes:

- * Performance is presented gross-of-fee for those who hold individual securities and/or series O investment fund units.
- * Returns are reported in Canadian dollars.
- * Returns exceeding one year are annualized.
- * Please read the Important Disclosures at the end of this report.



Portfolio Variance

As of June 30, 2024

	<u>Since Inception*</u>
Market value at beginning of period	\$ 0
Amounts deposited	\$ 4,400,000
Amounts withdrawn	\$ 0
Net investment returns	\$ 48,572
<hr/>	
Current market value of portfolio	\$ 4,448,572

*Inception May 1, 2024

PH&N Total Return Bond Fund

PH&N Fixed Income Team

Team structure with accountability

Core Strategies

Interest Rate Strategies/ Governments (6)
Kristian Sawkins
Matt Dubras
Antony Ramsden
Andrew MacNeil
Marie Mao
Steven Zhao
Money Market/Cash (3)
Brad Woiken
Matt Dubras
Antony Ramsden
Investment Grade Corporate Bonds (8)
Bryan Mascoe
Jay Menning
Andy Wu
Anna Temple
Ben Stone
Matt Morrow
Ryan Ho
Amelia Carver

Fund management

Universe & Short-term		
Kristian Sawkins	Matt Dubras	
Long & Liability-Driven Investment		
Andrew MacNeil	Antony Ramsden	
Insurance		
Kristian Sawkins	Brad Woiken	
Quantitative Research Group (9)		
Minh Ngo	Rob Menning	Ehsan Seyedin
Mitesh Mistry	Lu Wang	Arsalan Farrokh
Peter Quan	Joanne Zhang	Amir Safari

Plus Strategies

North American High Yield (9)
Hanif Mamdani
Sean Christopher
Omar Virani
Frank Gambino
Stephen Notidis
Greg Adair
Tomek Czajkowski
Bennett Cheung
Aviva Hsu

As of December 31, 2023.



PH&N Fixed Income Investment Philosophy

Multiple sources of risk/opportunity

Diversified portfolio with attractive reward-for-risk characteristics

Interest rates

- Duration
- Yield curve
- Real Return Bonds
- Foreign Sovereign

Credit

- Sector
- Quality
- Credit curve
- Industry
- Security selection
- Foreign issuers

Liquidity

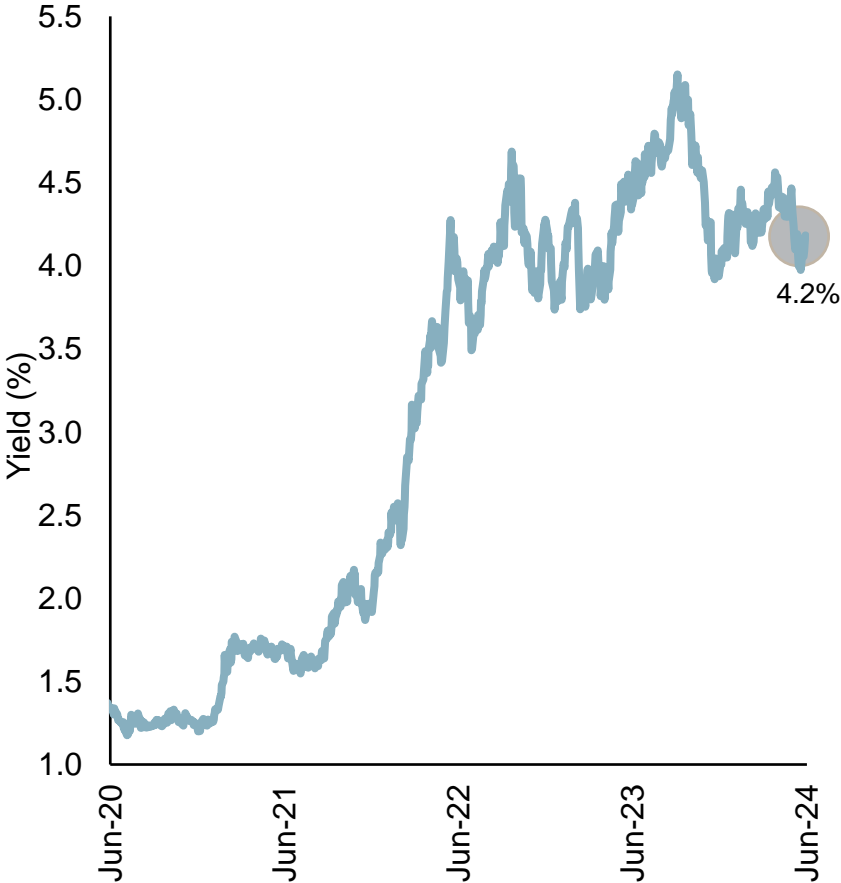
- Gov't sectors
- Mortgages
- Mortgage-Backed Securities
- Security selection



Bond market review

GoC yield curve steepened, credits spreads slightly wider

FTSE Canada Universe Bond Index yields



Total returns as of June 30, 2024 (%)	3 mo	1 yr	4 yr
Short Term Overall Bond Index*	1.24	5.61	0.65
Universe Bond Index*	0.86	3.69	-1.94
Long Term Overall Bond Index*	0.22	0.38	-5.59

Sector			
Mid Term Overall Bond Index			
Canada	0.63	2.59	-2.78
Provincial	0.92	4.06	-1.33
Corporate	1.21	7.38	0.44

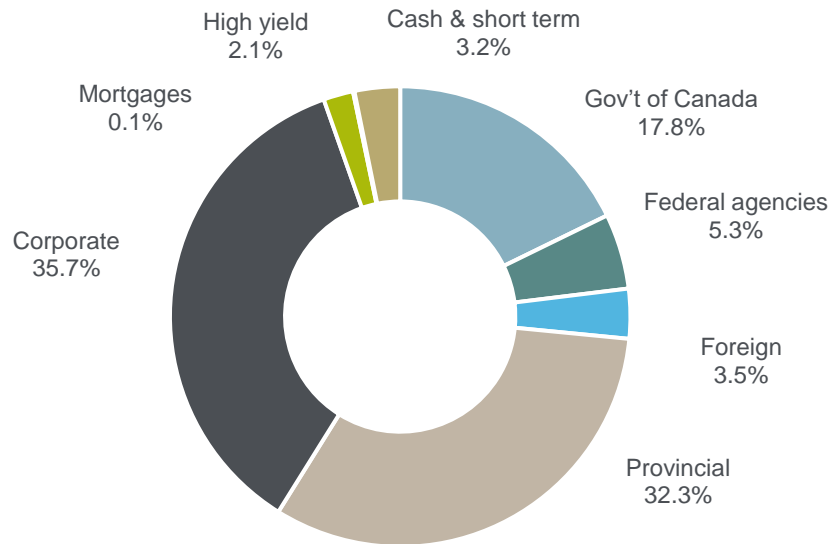
Source: FTSE Global Debt Capital Markets Inc.
 * Representative components of the FTSE Canada bond indices
 As of June 30, 2024.



PH&N Total Return Bond Fund

Adjusting positioning tactically based on the attractiveness of opportunities

June 30, 2024



Portfolio characteristics	
Portfolio modified duration	7.04 yrs
<i>Benchmark* modified duration</i>	7.20 yrs
Difference	-0.16 yrs
Portfolio yield to maturity**	4.49%
<i>Benchmark* yield to maturity</i>	4.18%
Incremental	+0.31%
Provincial relative exposure	+0.44 yrs
Corporate relative exposure	+0.41 yrs

* Benchmark represents FTSE Canada Universe Bond Index

** Yield is reported on a gross-of-fee basis

Source: FTSE Global Debt Capital Markets Inc., RBC GAM (BondLab). Portfolio characteristics are subject to change.



PH&N Total Return Bond Fund

Performance – June 30, 2024

Performance (%)	YTD	3 Mth.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
PH&N Total Return Bond Fund – Series O	-0.1	1.0	4.0	-1.3	0.7	2.5
Benchmark	-0.4	0.9	3.7	-1.8	0.0	1.9
Relative performance	0.3	0.1	0.3	0.5	0.7	0.6

Source: RBC Global Asset Management. All Performance is for Series O and is presented gross of investment management fees but net of fund expenses. All returns for periods greater than one year are shown on an annualized basis. Past performance is not indicative of future results and is calculated in CAD. Inception date for Series O is October 31, 2002 and since inception return is 4.4%. Benchmark represented by: 100% FTSE Canada Universe Bond Index.



PH&N Canadian Equity Value Fund

PH&N Canadian Equity Value Fund

Deep and experienced team

PH&N Canadian Equity Value Fund



Irene Fernando, CFA

**Vice President & Senior
Portfolio Manager**

18 years of experience



Sarah Neilson, CFA

**Vice President & Senior
Portfolio Manager**

19 years of experience

Portfolio Managers	Experience (Yrs.)	Sector Coverage (Canada)
Chris Beer	30	Materials, Energy
Rob Cavallo	16	-
Shanthu David	19	Small & Mid Caps
Matthew Gowing	19	-
Jennifer McClelland	30	All Canadian Sectors
Sean McCurley	15	Industrials
Jonathan Millman	21	Cons. Discretionary, Cons. Staples, Health Care
Marcello Montanari	31	Technology, Telecom, Cons. Discretionary, Health Care
Angelica Murison	13	-
Martin Paleczny	29	Derivatives/Technical Analysis
Brendon Sattich	13	Financials
Jeffrey Schok	17	Materials
Brahm Spilfogel	32	Materials, Energy
David Tron	15	-
Josef Turnbull	24	-
Brad Willock	27	-

Associate PMs and Analysts	Experience (Yrs.)	Sector Coverage (Canada)
Jeff Chang	27	Materials
Donna Comartin	13	Real Estate, Utilities, Energy Storage & Transportation
Jesse Coote	5	Energy ex-Midstream
Kalvin Hon	10	Comm. Services, Technology

Portfolio Engineer	Experience (Yrs.)
Tyler Adams	11

Investment Support

Risk Management

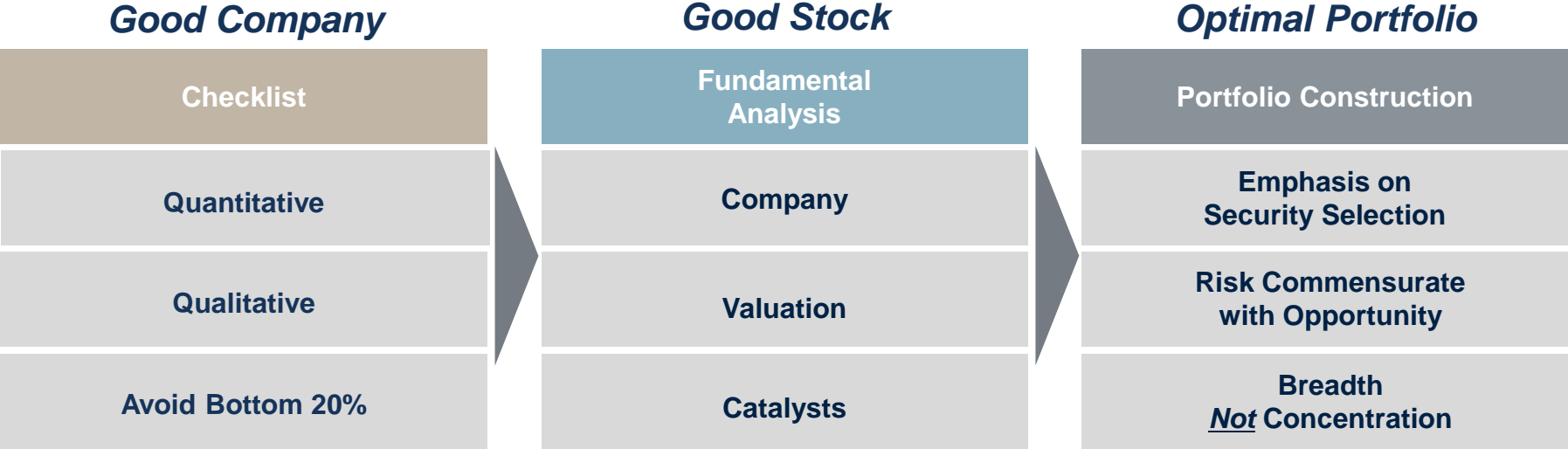
Trading Desk

**RBC GAM Investment
Teams**

Office of the CIO

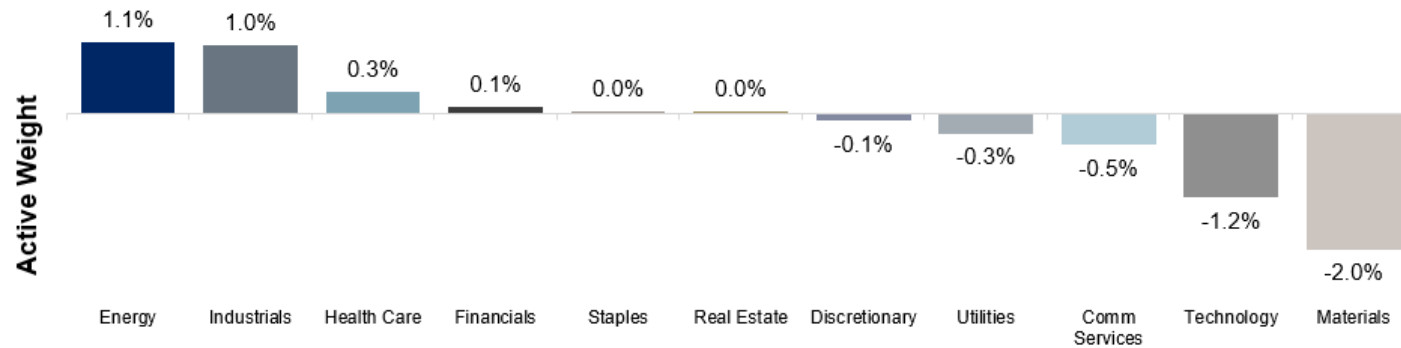
Investment process

Disciplined and repeatable



Portfolio Characteristics

Sector Positioning



	PH&N Canadian Equity Value Fund	TSX
Dividend Yield	3.17%	3.21%
Number of Holdings	82	226

Source: RBC GAM. As of June 30, 2024. Ex-cash. Portfolio characteristics subject to change.

Portfolio characteristics

Top 10 holdings

Stock	Allocation
Royal Bank Of Canada	6.7%
Canadian Natural Resources	3.9%
Toronto-Dominion Bank	3.8%
Shopify	3.4%
Brookfield Corp	3.3%
Canadian Pac Kansas City Ltd	3.1%
Enbridge	2.9%
Canadian National Railway Co	2.8%
Bank Of Montreal	2.7%
Suncor Energy	2.4%
Total % in Top 10	35.0%

Portfolio characteristics are subject to change. As of Mar 31/22. For illustrative purposes only and not a recommendation to buy or sell any security.

Performance summary

Updated to June 30/24

Annualized Performance

	3 Mo	YTD	1Y	2Y	3Y	5Y	10Y
PH&N Canadian Equity Value Fund	-0.6	6.2	12.7	11.7	8.8	10.2	8.1
S&P/TSX Composite Index	-0.5	6.1	12.1	11.3	6.0	9.3	7.0

Source: RBC GAM. Returns gross of fees. Inception date is Dec 2009.



RBC Global Equity Leaders Fund

RBC Global Equity Team

Committed and stable team of highly experienced industry specialists



As at September 2023

Source: RBC Global Asset Management



Our investment philosophy grounds every decision

Convention says

Superior businesses are identified by margins, returns, and cash flows.

We believe

- Financial outputs are important but efficiently absorbed into stock prices.
- Extra-financial inputs are inefficiently integrated into long-term valuations.
- The market often underappreciates the impact of extra-financial factors, creating an inefficiency that we can exploit.

Our approach

We identify financially strong companies that have also created contingent assets based on extra-financial factors.



RBC Global Equity Leaders Fund

Portfolio characteristics – June 30, 2024

Portfolio Characteristics

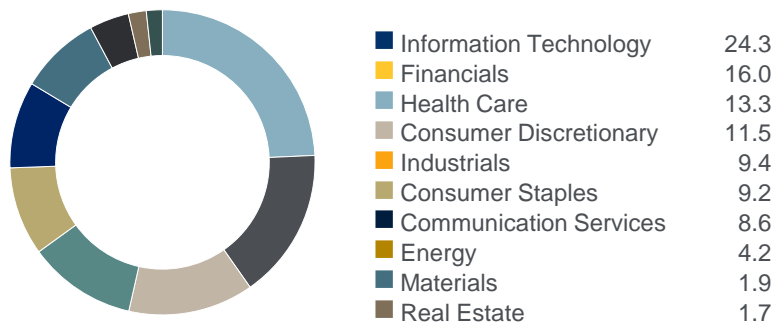
	Portfolio	Benchmark
Dividend Yield (%)	1.4	1.8
P/E Ratio (Trailing 1 Year)	24.2	24.2
P/E Ratio (Forward 1 Year)	19.7	18.4
P/B Ratio	5.1	3.4
P/CF Ratio	14.8	13.9
ROE (Trailing 1 Year)	21.0	14.0
Earnings Growth (Trailing 5 Years)	19.5	18.9
Debt to Equity	1.1	1.3
Average Market Cap (\$ Billions)	1064.9	980.5
Number of Holdings	32	1430

Top 10 Holdings

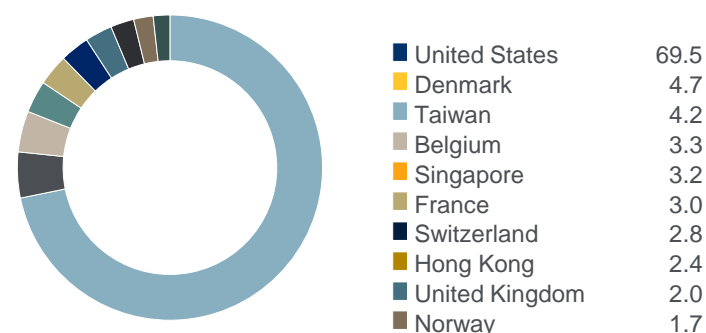
Microsoft Corp	6.5
NVIDIA Corp	5.8
Amazon.com Inc	5.2
UnitedHealth Group Inc	4.8
Novo Nordisk A/S - Class B Shares	4.6
Taiwan Semiconductor Manufacturing Co Ltd - ADR	4.1
Home Depot Inc	4.0
Procter & Gamble Co	3.9
Visa Inc - Class A Shares	3.8
HCA Healthcare Inc	3.6

Total % of top 10 holdings	46.2
Total number of stock holdings	32

Sector Breakdown (%)



Top 10 Country Breakdown (%)



Source: RBC GAM, MSCI as of June 30, 2024. Benchmark is MSCI World Total Return Net Index (C\$). Portfolio characteristics are subject to change.

RBC Global Equity Leaders Fund

Performance – June 30, 2024

Performance (%)	YTD	3 Mth.	1 Yr.	3 Yrs.	5 Yrs.	10 Yrs.
RBC Global Equity Leaders Fund – Series O	17.8	4.5	25.2	6.3	—	—
Benchmark	16.0	3.8	24.3	10.5	—	—
Relative performance	1.8	0.7	0.9	-4.2	—	—

Source: RBC Global Asset Management. All Performance is for Series O and is presented gross of investment management fees but net of fund expenses. All returns for periods greater than one year are shown on an annualized basis. An investment cannot be made directly into an index. The table does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not indicative of future results and is calculated in CAD. Inception date for Series O is May 17, 2021 and since inception return is 7.9%. Benchmark represented by: 100% MSCI World Total Return Net Index (C\$).



RBC QUBE Global Equity Fund

RBC Quantitative Investments Team

Deep and experienced team with diverse experience

Team head



Jaco Van der Walt
Managing Director, Global Head of
Quantitative Research & Investments
27 years of experience

Portfolio management



Oliver McMahon
Senior Portfolio Manager
30 years of experience



Norman So
Senior Portfolio Manager
20 years of experience



Brian Vuong
Associate Portfolio Manager
19 years of experience

Quantitative research



Julian Douglass
Head of Research
25 years of experience



Mariam Belkoura
Senior Quantitative
Research Analyst
11 years of experience



Connor Heggart
Senior Quantitative
Research Analyst
8 years of experience





Bassirou Ndao
Quantitative
Research Analyst
9 years of experience



Spencer Sillaste
Quantitative
Research Analyst
2 years of experience



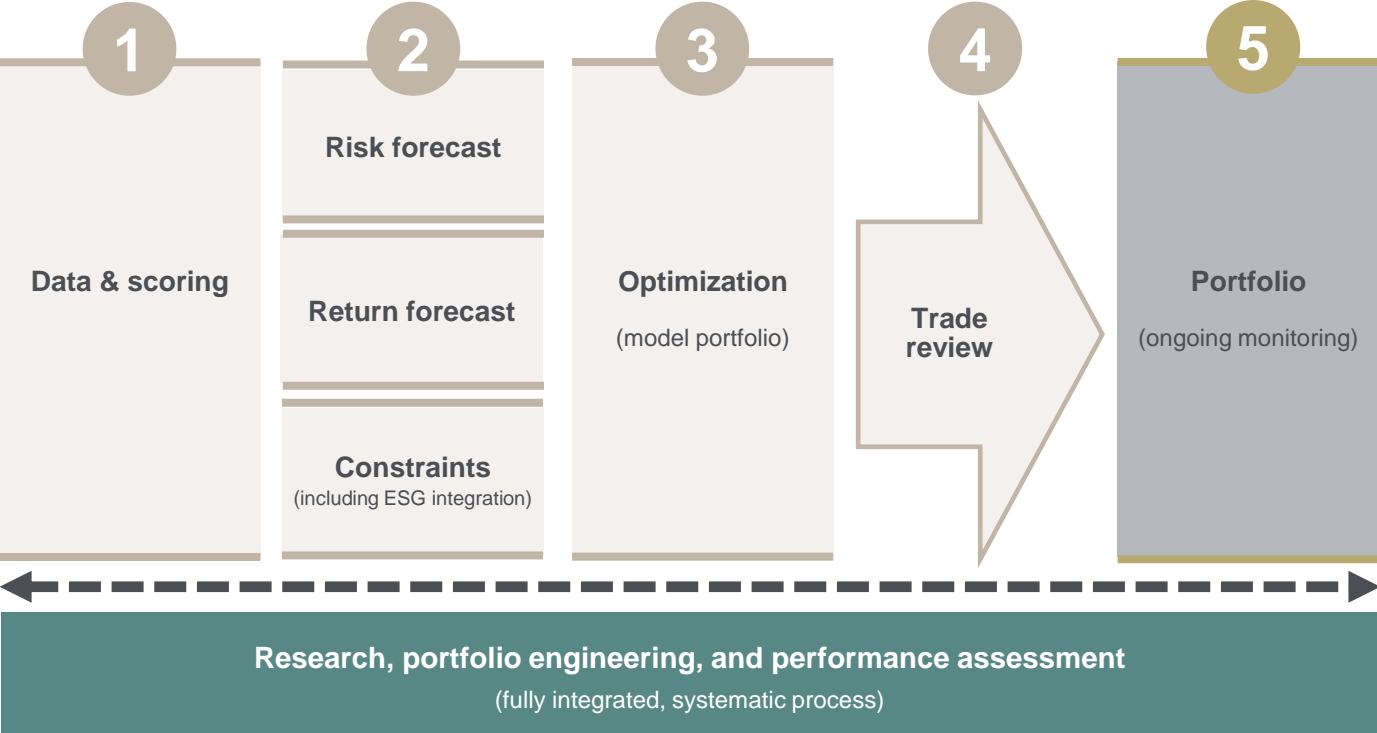
Peter Vincent
Senior Quantitative
Research Engineer
24 years of experience

 Supported by a team of 6 dedicated quantitative systems developers¹ 

Source: RBC GAM as of June 30, 2024. ¹ Not pictured.

Investment process

Systematic implementation complemented by integrated research



Security selection drives our portfolio positioning

Multi-factor approach to identify sources of superior performance

Profitability

assesses a company's ability to sustainably grow earnings (*CFROI, Forward ROE, EBIT Margin*)

Sentiment

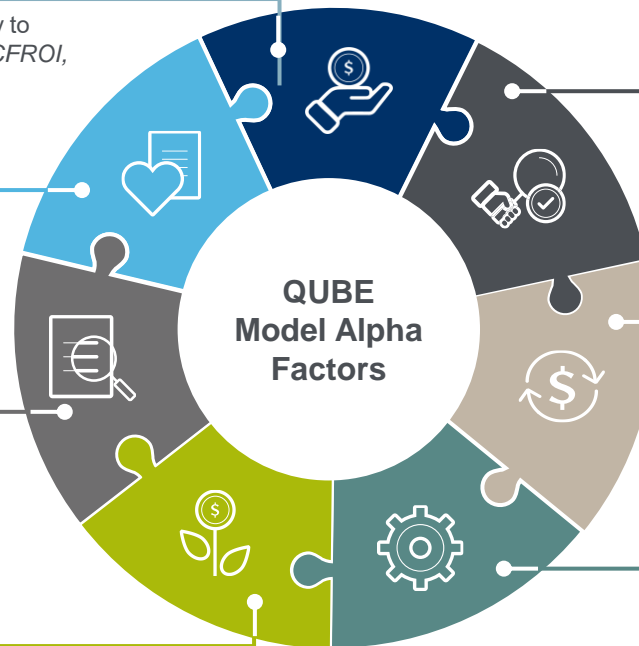
identifies overbought or oversold companies (*Williams %R, Coppock Curve*)

Analyst

identifies early signals of change as they arise (*Analyst Recommendations, Earnings Revision*)

Growth

examines a firm's growth prospects, particularly in its earlier stages (*FCF Growth, ROE Growth*)



Quality

provides quantitative insight into management behavior and balance sheet strength (*Debt Financing, Goodwill Growth, R&D*)

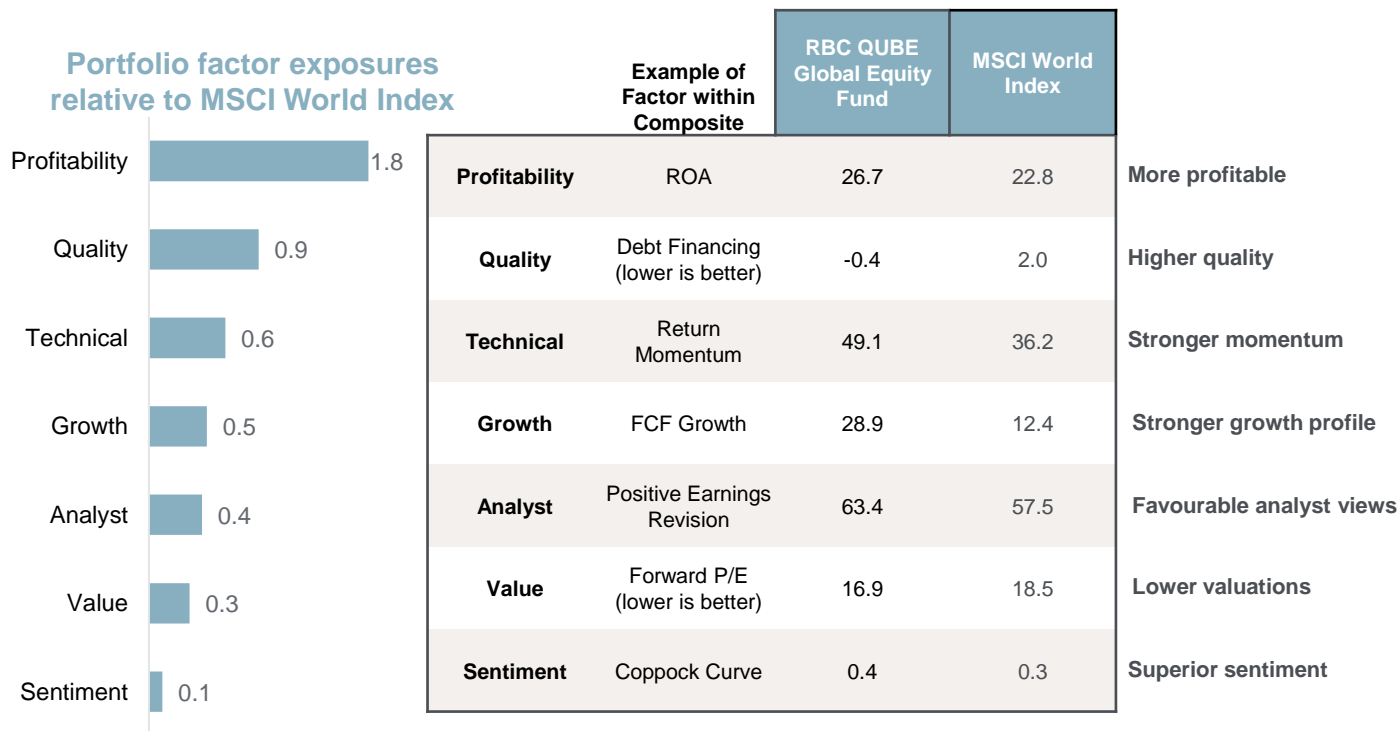
Value

can identify irrational investor behavior and mispriced investment opportunities (*Forward P/E, P/CF*)

Technical

identifies market movements before fundamental changes are apparent (*Return Momentum, Crowding*)

The outcome is a portfolio with exposure to multiple factors



Source: RBC GAM. Portfolio and Index characteristics are as of April 30, 2024. Measures shown within each factor composite on this slide represent just a portion of the full list of indicators used. Measures used are subject to change. For illustrative purposes only.

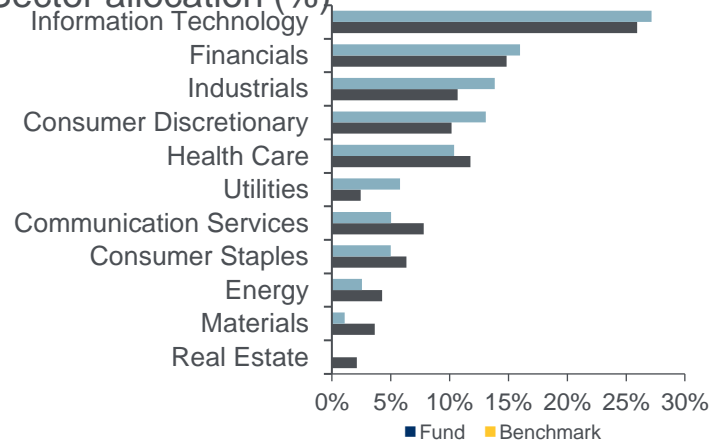
Portfolio characteristics as of June 30, 2024

Issuer	Sector	Weight (%)	Active Weight (%)
Apple	Information Technology	6.3	+1.6
Nvidia	Information Technology	5.8	+1.1
Johnson & Johnson	Health Care	2.8	+2.3
Colgate-Palmolive	Consumer Staples	2.7	+2.5
Alphabet	Communication Services	2.4	-0.6
Amazon	Information Technology	2.4	-0.3
Microsoft	Consumer Discretionary	2.4	-2.3
Ameriprise Financial	Financials	2.4	+2.3
MasterCard	Financials	2.3	+1.7
Berkshire Hathaway	Financials	2.1	+1.3

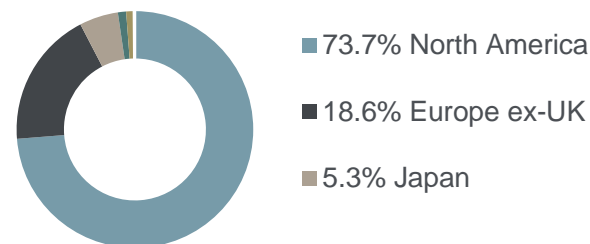
	Fund	Benchmark
Holdings (ex Cash)	139	1,430
Dividend Yield	1.82%	1.79%

Source: RBC GAM. As of June 30, 2024. Reflects the RBC QUBE Global Equity Fund. Portfolio characteristics are subject to change

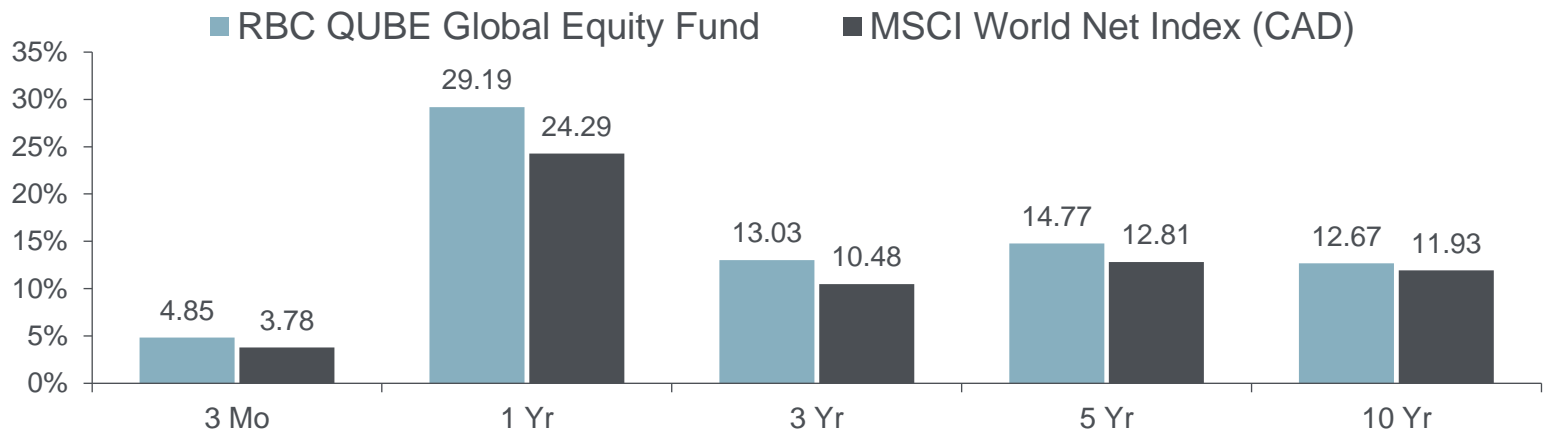
Sector allocation (%)



Geographic allocation (%)



Performance as of June 30, 2024



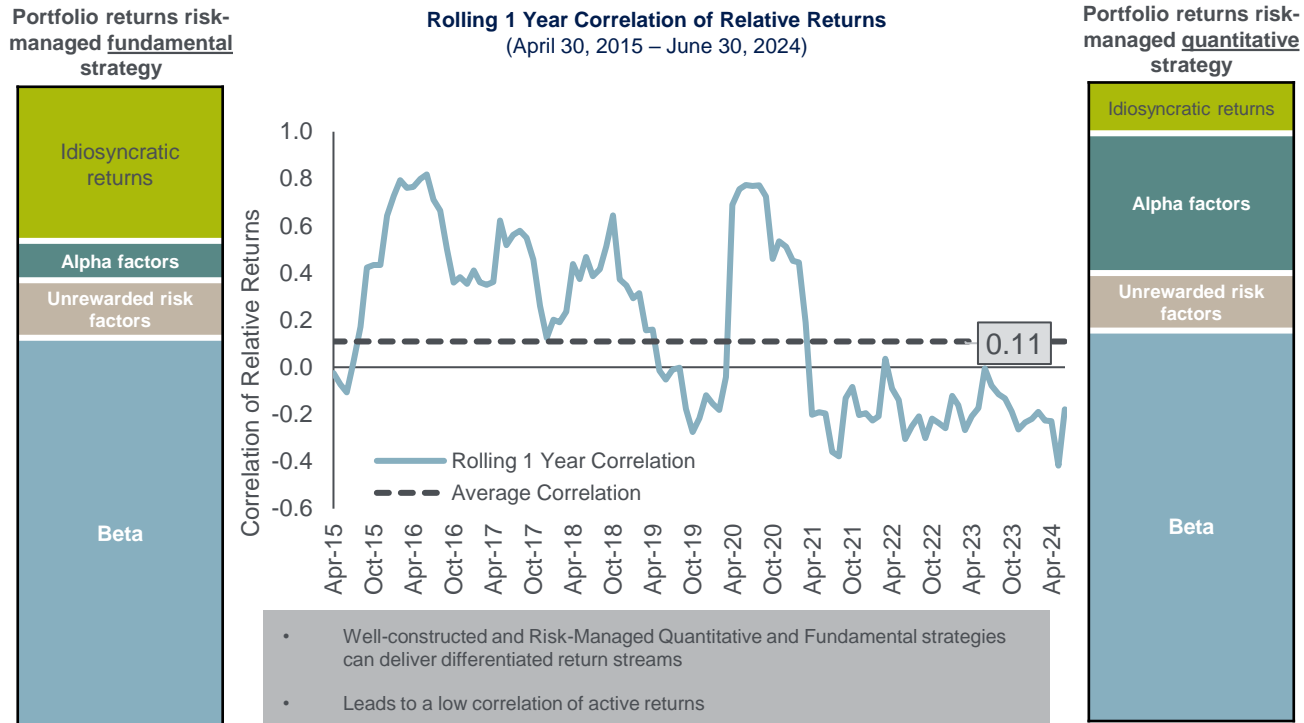
Relative performance (%)	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Value-add vs. Index	+1.07	+4.90	+2.55	+1.96	+0.74

Past performance is not indicative of future results and is calculated in CAD. Returns may increase or decrease as a result of currency fluctuations.
 Source: RBC Global Asset Management, MSCI. Series O returns, gross of management fees. All returns for periods greater than one year are shown on an annualized basis.



Style diversification in global equity funds

Quant and Fundamental are complementary

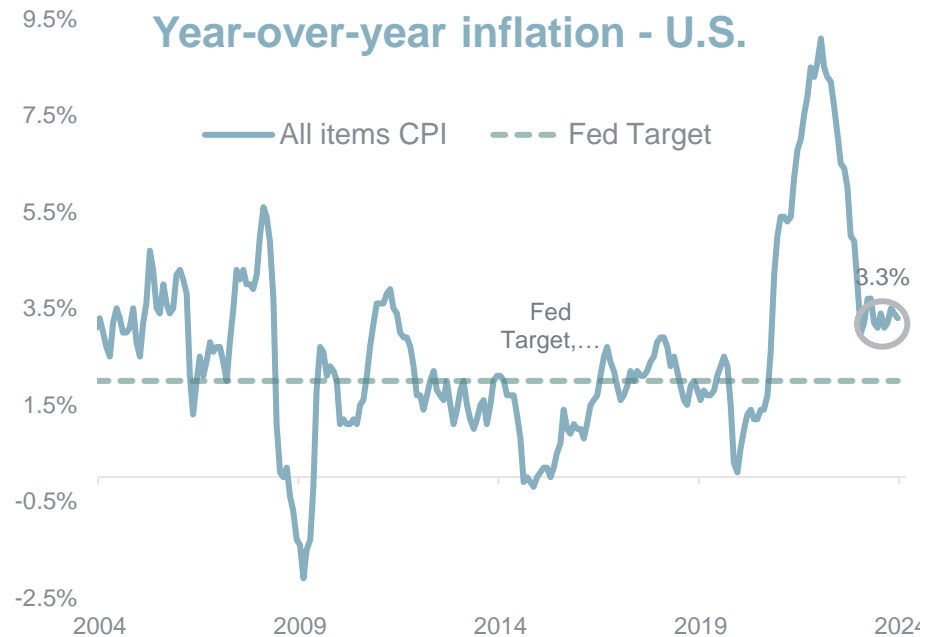
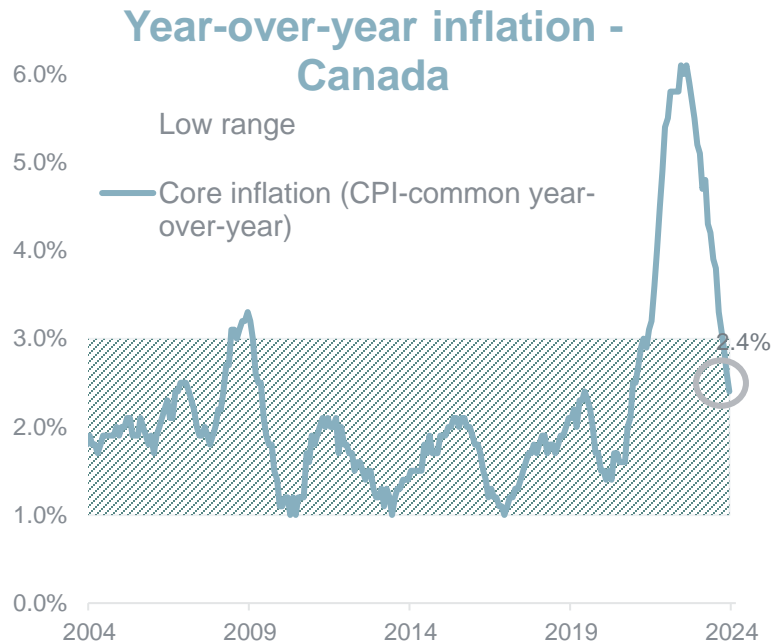


Source RBC GAM. Correlation of relative returns between the RBC QUBE Global Equity Fund (Series O) and the RBC Global Equity Focus Fund (Series O). All returns in CAD from April 30, 2014 – June 30, 2024, Gross of Fees. Benchmark used is the MSCI World Index (CAD).

Economic Update

Inflation in Canada is easing faster than the U.S.

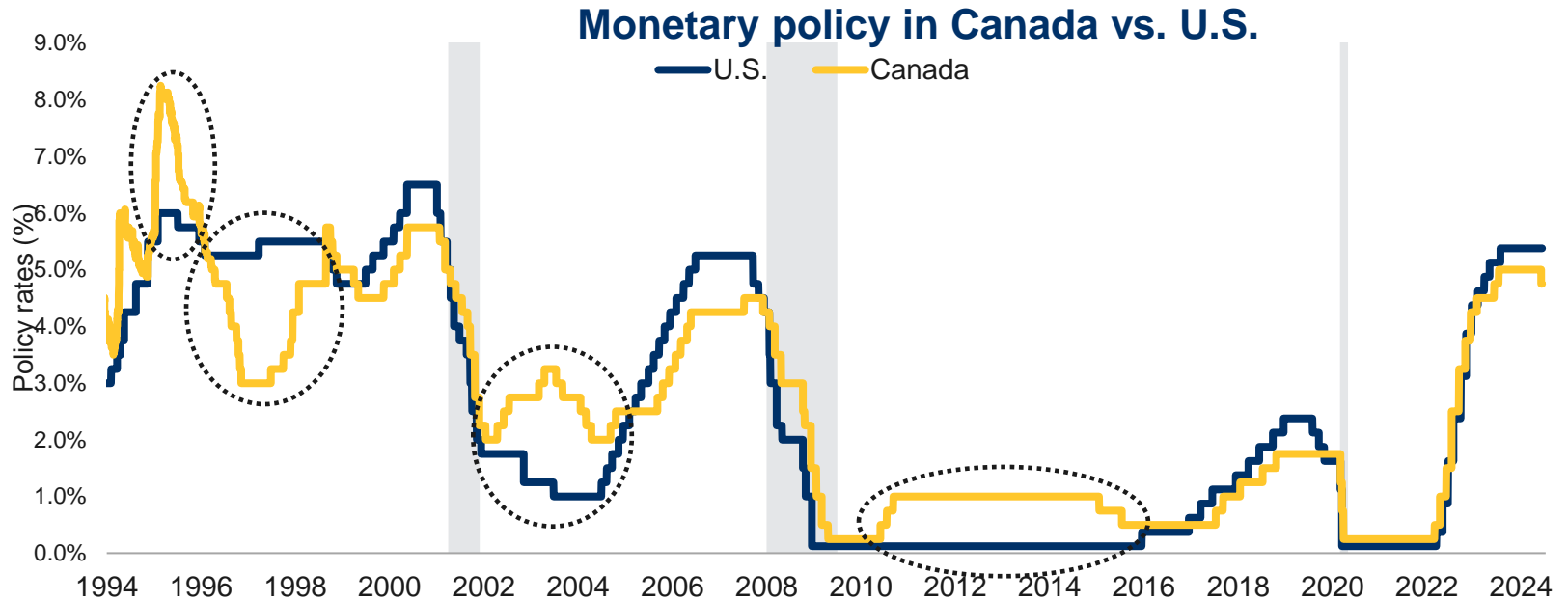
Canadian inflation back within target range; the U.S. is still not there



Source: Statistics Canada, U.S. bureau of labor statistics, RBC GAM. Canada - Monthly core inflation (CPI-common year-over-year). Period ranges from June 1, 2004 to May 30, 2024. U.S. - Monthly all items CPI change, not seasonally adjusted. Period ranges from June 1, 2004 to May 30, 2024.

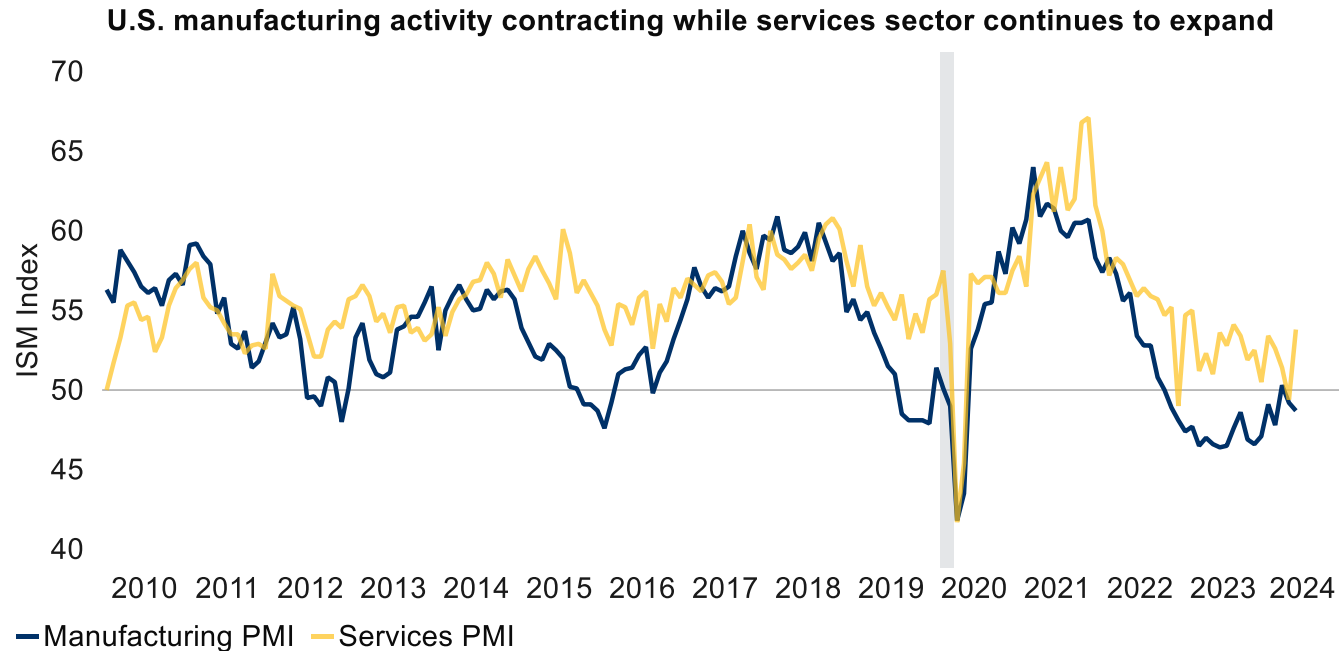
Canadian and U.S. monetary policy can somewhat deviate

Canada has begun its rate cutting cycle, while the U.S. is widely expected to begin cutting later in 2024



Source: Macrobond, RBC GAM. As of June 30, 2024. Shaded area represents U.S. recession.

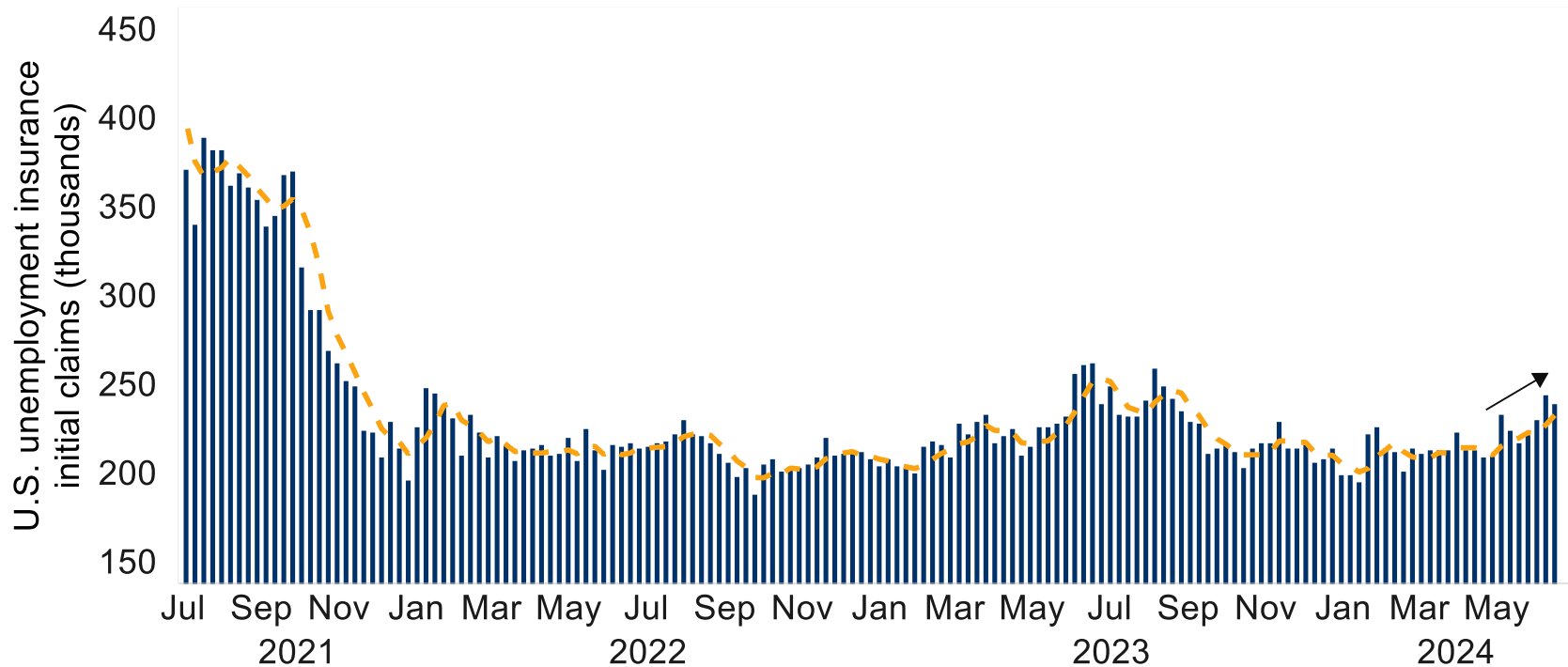
Business conditions send mixed signals



Note: As of May 2024. Shaded area represents recession. Source: Institute for Supply Management (ISM), Macrobond, RBC GAM

Labour market weakening slightly

U.S. jobless claims remain low

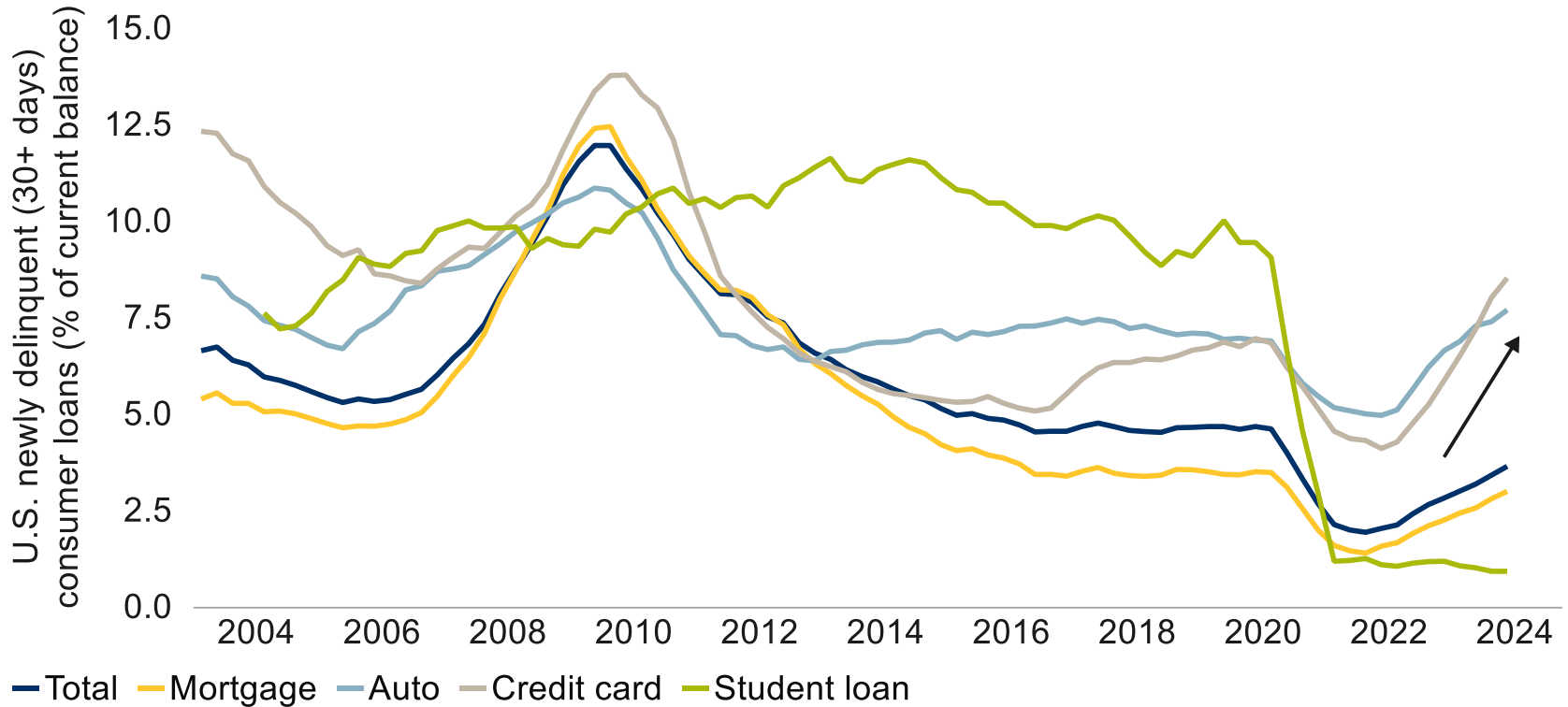


■ Initial claims — Initial claims, 4-week moving average

Note: As of the week ending 06/15/2024. Source: DOL, Macrobond, RBC GAM

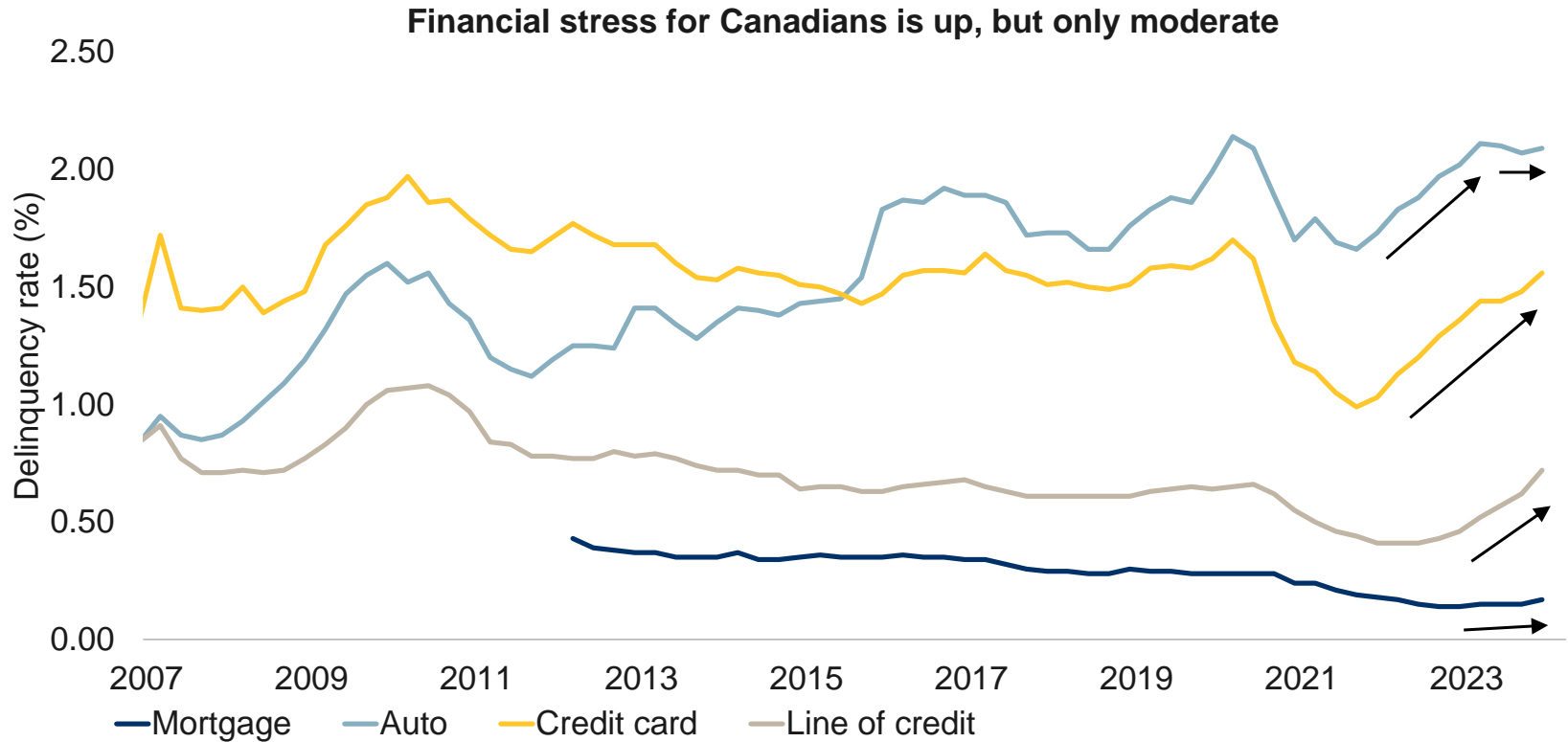
Higher rates start to hurt household finances in the U.S.

U.S. consumer loan delinquency is now rising



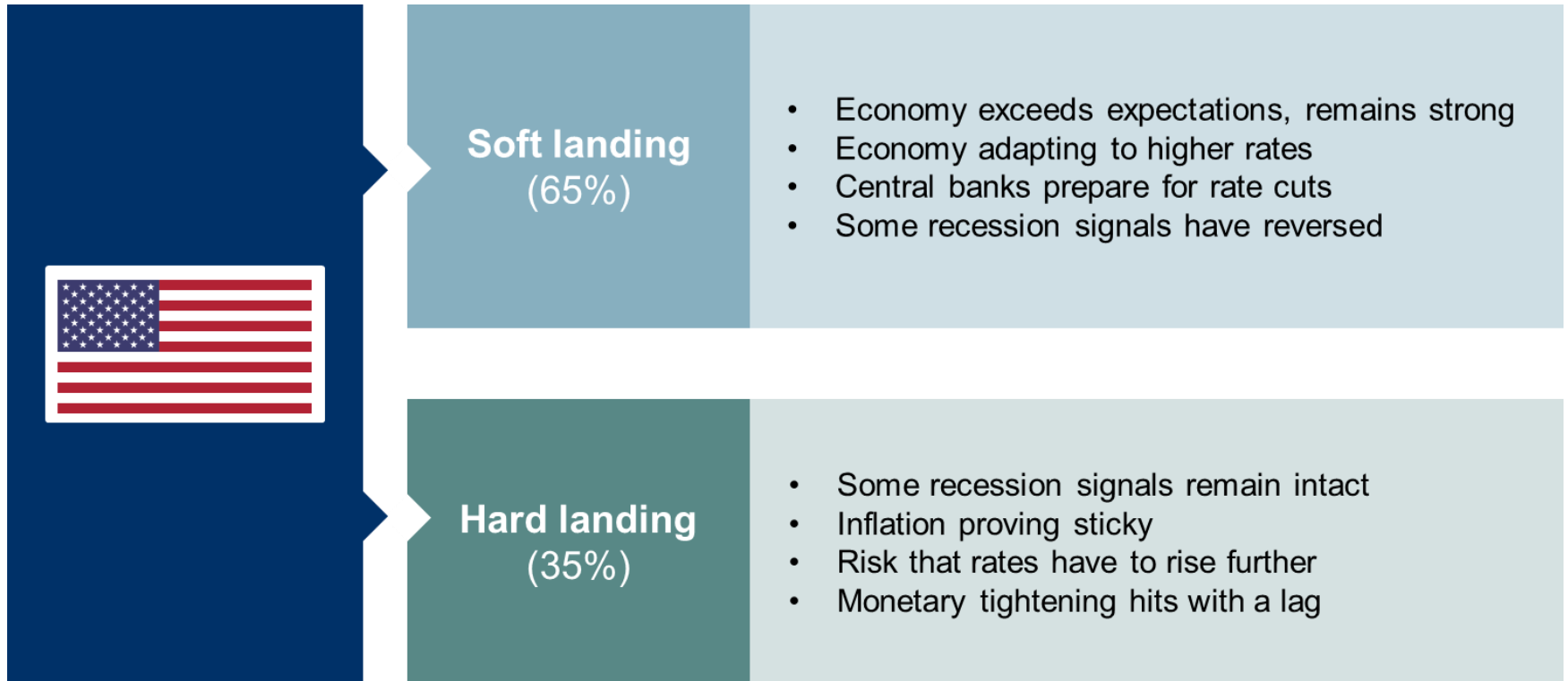
Note: As of 2023 Q4. Source: Federal Reserve Bank of New York, Macrobond, RBC GAM

Higher rates are hurting some households in Canada



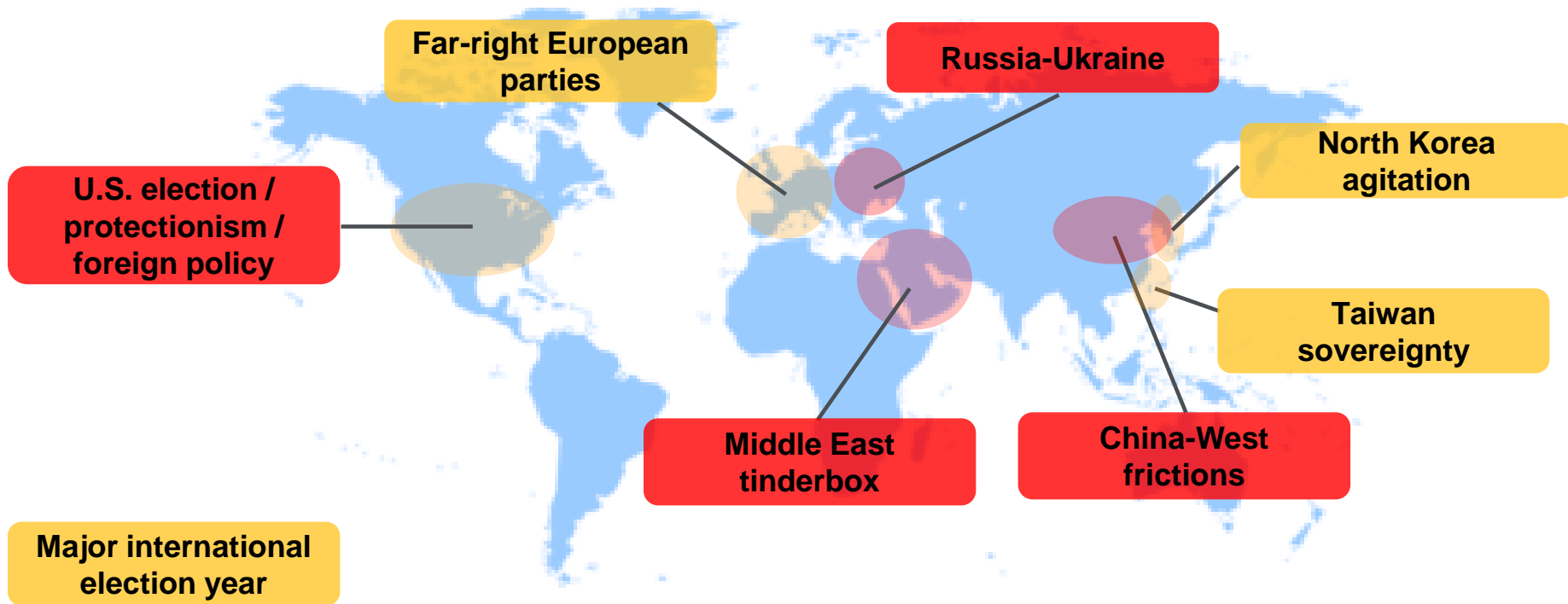
Note: As of Q4 2023. Share of the number of accounts 90 days or more past due over the previous three months. Source: Equifax, CMHC, RBC GAM

Soft landing most likely scenario for the U.S.




Source: As at 04/23/2024. Source: RBC GAM

Geopolitical risks abound – watch oil and supply chains



Note: As at 02/22/2024. Source: RBC GAM

Rapid technological change could help economy



Exciting new technologies:


- **Generative AI**
- Other AI (sensing, robotics)
- Health
 - Anti-obesity
 - mRNA
 - CRISPR
 - protein folding
- Quantum computing
- Green technologies
- Internet of things?
- 3-D printing?
- Blockchain?
- Virtual reality?
- Nuclear fusion?
- Superconductivity?

➤ These exist and are important

➤ These exist, but unclear if important


➤ These are very important, but don't yet exist

Note: As at 02/14/2024. Source: RBC GAM



Moderate short-run positives:

- More capital expenditures as companies innovate and adapt
- But chokepoints limit scope of investment
- Higher equity valuations have positive wealth effect



Long run implications:

- Probably faster productivity growth
 - Unclear how much faster (+0.2%/year? +2.0%/year?)
- Productivity gains usually take a long time to arrive
- Downward pressure on inflation
- Higher structural unemployment?

Additional Disclosure

GROUPING OF ACCOUNTS, CUSTODY RECONCILIATION, DIFFERENCES IN PRICING AND SETTLEMENT DATE REPORTING

Your custody statement is the official record of holdings in your account and follows standard industry practice for custodians including reporting income when paid and recognizing trades on the date of completion (settlement date). This Investment Review reports income as it accrues and recognizes trades on the date initiated (trade date). There may also be differences between your custody statement and this Investment Review in the pricing of individual securities or exchange rates. In managing your portfolio, your Investment Counsellor uses the investment management system that generates this Investment Review because it contains the most up-to-date information. Please carefully review statements sent to you by the custodian and compare them to this Investment Review. In the event of any inconsistencies, please contact your Investment Counsellor.

Please be advised that, while the market values reported for certain investment funds reflects the most up-to-date value at the time that this statement was prepared, such market values may not reflect the actual market value as at the end of the statement period due to timing differences in which such investment funds report their market values. Please contact your investment counsellor for more information. The following investment funds may be impacted by such timing differences:

RBC QUBE Market Neutral Canadian Equity Fund
RBC QUBE Market Neutral U.S. Equity Fund
RBC QUBE 120/20 Canadian Equity Fund
RBC Multi-Strategy Alpha Fund
PH&N Absolute Return Fund
GoldPoint Select Manager Canada Fund

BlueBay Direct Lending Canadian Feeder Fund
BlueBay Global Convertible Bond Fund
BlueBay Global Monthly Income Bond Fund
BlueBay Emerging Markets Absolute Return Bond Fund - CAD Hedged
BlueBay Emerging Investment Grade Absolute Return Bond Fund - CAD Hedged

Understanding your detailed holdings Market Value

In cases where securities in your portfolio display a Market Value of '0.00', the current market value could not be determined before or on the date your statement was produced.

Deferred Sales Charges

Securities indicated with a "4" are subject to deferred sales charges.

Based on your preference, this Investment Review may be comprised of a group of accounts to provide you with one overall consolidated portfolio of holdings and rate of return as at the end of the reporting period. The group of accounts included in this Investment Review is provided above and may include accounts where you are not the beneficial owner of or have any interest in such accounts. In addition, the consolidated rates of return reported in this Investment Review may include accounts that were historically part of your **group of accounts, but have since been closed. If you would like to change the group of accounts consolidated in this Investment Review, please contact your Investment Counsellor.**

IMPORTANT INFORMATION ABOUT YOUR RATE OF RETURN

Time weighted rate of return

This method takes into account the cumulative realized and unrealized capital gains and losses of an investment, plus income from the investment but removes the impact on the timing of deposits and withdrawals of any money or securities over the specified time period, annualized for periods greater than one year and is therefore appropriate for comparison to a financial market index.

Past performance is not indicative of future results. The value of investments and any income from them is not guaranteed and may fall or rise and the investor may not get back the original investment. Index returns are for illustrative purposes only and do not represent actual model performance. Indexes are unmanaged and one cannot invest directly in an index.

RELATED AND CONNECTED ISSUERS

Certain transactions in your account may include securities of issuers related or connected to RBC Phillips, Hager & North Investment Counsel Inc. ("RBC PH&N IC"). For a list of such related and connected issuers, refer to the following website: www.rbcphnic.com/issuers-disclosures, or contact your Investment Counsellor.

AFFILIATES AND RELATED COMPANIES

RBC PH&N IC, Royal Trust Corporation of Canada and The Royal Trust Company are separate corporate entities that are affiliated.

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Thank you



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