RBC Global Asset Management

Phillips, Hager & North Absolute Return Fund

First Quarter Report • March 31, 2025

Contents

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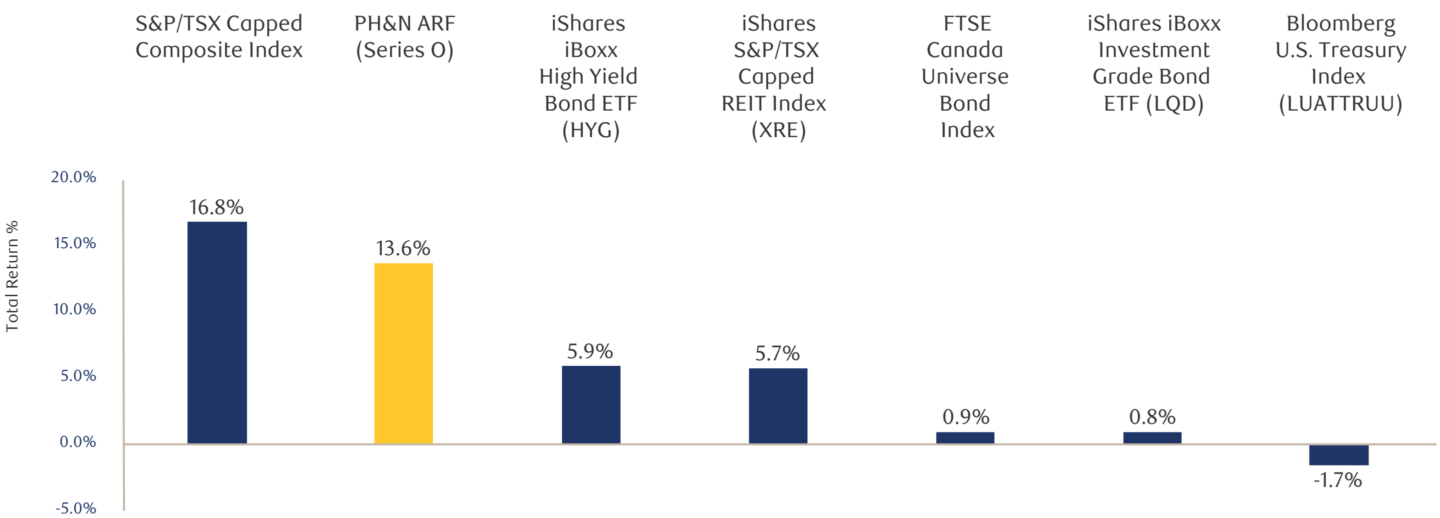
Quarterly Commentary

The PH&N Absolute Return Fund (ARF) posted a strong first quarter of 2025 with a +3.3% return on the Series O units despite stiff headwinds in both the equity and credit markets driven by tariff concerns. The Fund's significant paring down of risk in its credit book in the past several months along with some timely tactical hedges allowed the Fund to outperform most risk assets during the quarter and in the turbulent early weeks in April.

Looking further back over the past five years (which captures both the immediate aftermath of the COVID sell-off in 2020 as well as the prolonged fixed income bear market of 2022-2023), the Series O units have delivered an annualized return of +13.6% during this relatively tumultuous period. The solid performance over the past five years demonstrates the Fund's ability to compound our clients' capital amidst a variety of economic scenarios.

Five-Year Annualized Return



Source: RBC GAM, Bloomberg as of March 31, 2025

The Fund has done well to protect strong gains in 2021, 2023, and 2024, while keeping drawdowns to a minimum during difficult periods in markets such as 2022 and the most recent several months. Timely pivots early in the COVID recovery and in late 2023 allowed the Fund to capture the strong upside in markets in the ensuing quarters. More recently, we pivoted the opposite way, meaningfully reducing the Fund's exposure to credit markets and to equities. Taking advantage of periods of significant upside in markets, while protecting capital through bad periods is the Fund's primary goal.

Long-Term Performance

The table below shows recent and long-term performance of the PH&N Absolute Return Fund dating back to the Fund's inception, capturing many major cycles and bear markets. The Fund continues to compare favourably to many relevant asset classes and a global hedge fund peer group over this extended period. While there are many new smaller offerings being aggressively marketed in Canada in the liquid alternative fund category, we believe the true test of a fund's safety and resilience is a combination of a long track record and meaningful scale achieved over a multi-decade period.

Index/Fund	First quarter return (%)	Annualized rates of return (%)					
		1 year	3 years	5 years	10 years	15 years	20 years
S&P 500 Index ($U.S.)	-4.3	8.2	9.0	18.6	12.5	13.1	10.2
S&P/TSX Capped Composite Index	1.5	15.8	7.8	16.8	8.5	8.2	8.0
ICE BofA U.S. High Yield Index ($U.S.)	0.9	7.6	4.8	7.2	4.9	6.1	6.5
iShares iBoxx HY Bond ETF (HYG)	1.2	7.6	4.4	5.9	3.9	5.1	–
iShares iBoxx IG Bond ETF (LQD)	2.5	4.2	0.4	0.8	2.3	3.8	4.0
iShares S&P/TSX Capped REIT Index (XRE)	1.7	-0.2	-5.7	5.7	3.4	6.5	6.7
HFRX Global Hedge Fund Index ($U.S.)	0.5	3.2	1.9	4.4	1.8	1.6	1.4
PH&N Absolute Return Fund – Series A	2.9	9.4	6.5	12.1	5.7	7.6	10.7
PH&N Absolute Return Fund – Series F	2.4	7.8	5.5	11.4	–	–	–
PH&N Absolute Return Fund – Series O	3.3	10.9	7.9	13.6	7.1	9.0	–

Source: RBC GAM, Bloomberg as of March 31, 2025

Current Investment Backdrop: A Central Bank Conundrum

Capital markets and global economies are facing one of the most uncertain environments in over 15 years due to the unknown impact of tariffs on future growth. Tariffs present challenging obstacles to markets as they are likely to result in a toxic combination of slower global growth and rising inflation. How these tariffs actually play out and how various central banks treat the likely uptick in inflationary measures amidst decelerating growth is one of the most important questions investors now face.

If central banks decide to look through the unwelcome rebound in inflation from tariffs with the hopes that such an uptick is temporary, they may be able to defend economic growth through aggressive interest rate cuts. However, if inflation proves to be sticky and consumers adjust their long-term expectations of future inflation, markets may perceive these rate cuts as a major policy error that may need to be corrected with future rate hikes. On the other hand, a reluctance to cut interest rates even as economic growth veers dangerously close to zero makes a recession far more likely.

The ability for the global economy to avoid a recession will be the overarching theme for the foreseeable future. The scope and duration of tariffs along with central bank "reaction functions" will be two of the primary variables for investors to consider. If tariffs end up being material and last for some time, the potential distribution of outcomes for the stock market and for credit spreads could be especially wide.

A Timely Repositioning of our Fixed Income Portfolio

As credit spreads reached multi-decade lows in December of last year and early this year, the Fund took the opportunity to shed a huge portion of its credit book, divesting all of its U.S.-dollar-denominated bonds as well as a large portion of its Canadian bank limited resource capital notes (LRCN) position, which had performed exceptionally well in 2024. We also shed the Fund's real estate-related corporate bonds to make room for better risk/reward plays in REITs. After reaping significant gains in the Fund's core credit book over the past two years, we felt this was a prudent step to take and we were rewarded in the first quarter for this large-scale de-risking and deleveraging.

The Fund now carries a much smaller core holding in high-quality, shorter-duration bonds – less than 27% of the portfolio – which we expect can deliver a stable income stream of over 7% on that portion of the portfolio. With the Fund's much lower allocation to the credit book and with no leverage at present, the Fund possesses a great deal of dry powder that is ready to be deployed if some of the more extreme scenarios play out over the next few months.

Current Overall Portfolio Positioning by Strategy

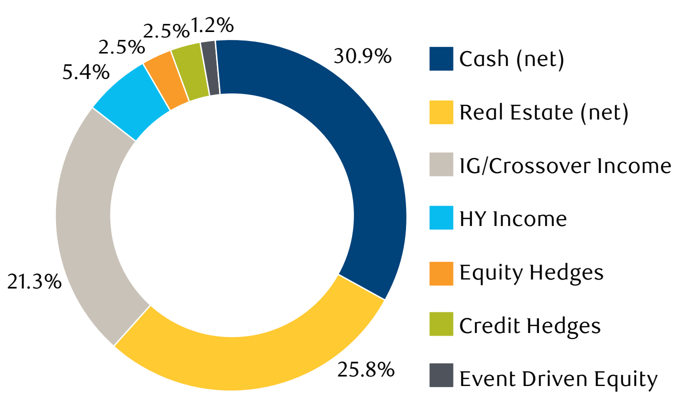
Aside from the much smaller core position in credit markets, the Fund does see some interesting longer term opportunities in other areas. We recently built an attractive core position in the Canadian REIT sector (discussed in detail below). We have paired this REIT exposure with some meaningful tactical hedges that should help dampen volatility and mitigate overall market risk. The Fund currently has a net REIT position of approximately 25% (after hedges).

While Canadian REITs appear quite cheap to us, with many of them trading near their COVID lows, the same cannot be said for much of the broader stock market even after the early April sell-off. Equities in most sectors still appear fairly or even fully valued despite the recent sharp correction and, in our opinion, "recession risk" may require some equity sectors to decline a bit further. As such, we have an extremely light loading in equities with a quarter-end net equity exposure of -1.5%.

During the first quarter, the Fund accomplished a major strategic goal by converting its large long-standing position in Aimia preferred shares into a smaller position in senior Aimia bonds. This was a major win from an economic perspective and was also a timely move from a risk reduction standpoint. As a result, the Fund no longer has exposure to the preferred share strategy, often a more vulnerable asset class in a bear market.

The result of our significant repositioning of the Fund's strategic mix is shown below:

Current Strategy Mix



As at March 31, 2025

Leverage

The Fund's leverage declined very materially in the last six months from a high of 1.45x in the third quarter of 2024 to approximately 0.69x presently. This is one of the Fund's lowest levels of leverage ever. As a reminder, a 1.00x leverage ratio means "zero leverage" in the Fund, so the current portfolio at 0.69x not only has no borrowed funds being deployed but it is also sitting on a very large cash reserve of more than 30% as an extra measure of protection. This very conservative leverage posture will help mitigate future volatility as markets further adjust to the impact of tariffs and will give us considerable dry powder to deploy if valuations reach extremes in the coming months. That said, we plan to be very careful in how we deploy this excess cash as the range of outcomes for the economy and for markets is especially wide.

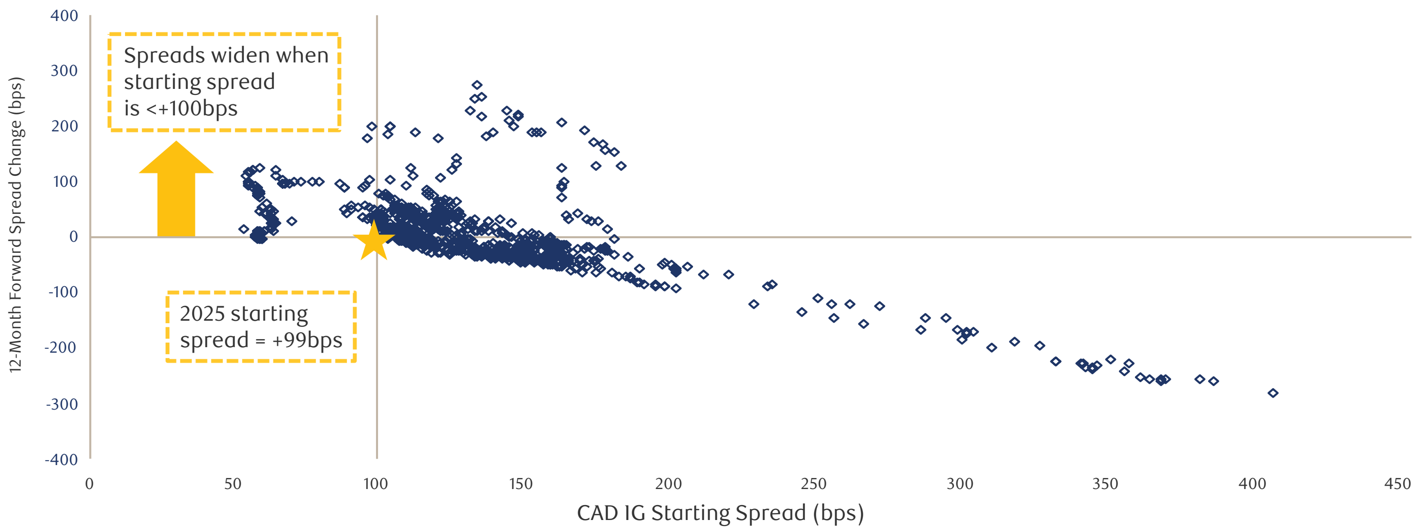
Our revamped risk framework has been in place for over five years now and has led to a much sturdier portfolio during risk-off periods, as witnessed this past quarter. This tightened risk framework has not come at the expense of returns, however, as we have worked hard to optimize the Fund's available risk budget. We remain comfortable that, in our view, the drawdown or loss potential on the current portfolio remains in the range of approximately -3-4% over a full year if we were to experience a cyclical bear market. We believe the Fund can still generate a low-to-mid single digit positive return if markets remain choppy throughout the year, and up to a 5-10% return if markets experience a rebound in the second half of 2025 after providing some attractive opportunities from dislocations in the months ahead.

Strategies

- **Stable Income:** Credit book: The Fund's credit book has been significantly downsized through considerable pruning/profit-taking in the past few months. We had boosted this strategy throughout 2022-2023 when yields and spreads were near cyclical highs, mostly in large Canadian bank investment grade (IG) capital securities and select blue-chip industrial issuers. However, yields and spreads at the start of this year appeared very low in the face of major macroeconomic and geopolitical risk, resulting in our dialing back the Fund's exposure. The Fund's current modest, unlevered income sleeve comprising 25-30% of the overall portfolio generates a net running yield of over 7% and the default risk on this short-maturity portfolio remains very low, in our view.

The following chart provides a particularly interesting argument for a potential widening of credit spreads in the Canadian IG arena this year. It shows the relationship between the starting spread level versus the ensuing spread move over the next 12 months. What stands out in this chart is that when Canadian IG spreads begin at less than 100 basis points (bps), the odds of spreads widening in the following year are extremely high. As it turns out, the index began 2025 with a +99 bp spread level, suggesting that if historical patterns persist, this may be a year of widening credit spreads.

Starting CAD IG Index Spread vs. 12-Month Forward Spread Change



Source: TD Securities, Bloomberg as of March 31, 2025

REITs:

Apartments/Multi-Family

In the past two quarters, the Fund has been active in building a core position in Canadian REITs following a sharp decline experienced across the sector starting in mid-September of 2024. Despite interest rates in Canada approaching three-year lows, new immigration policies proposed by the federal government in the fall led to these historically very stable REITs experiencing 25-30% declines in their unit prices over several months.

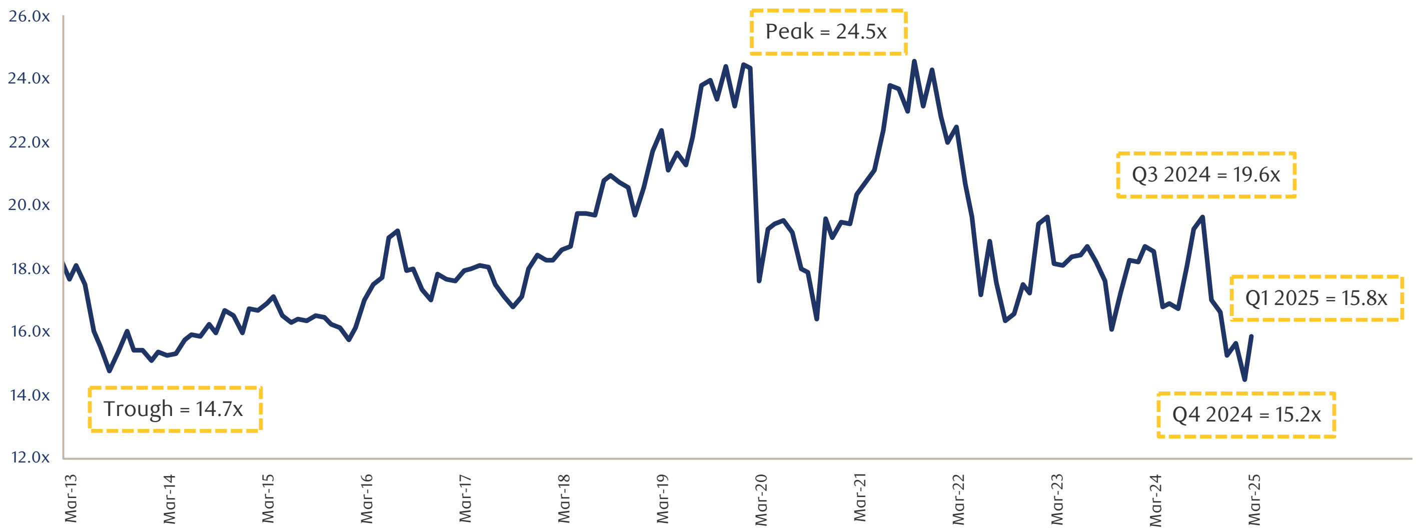
While the impact of a *proposed* reduction to immigration cannot be entirely ignored, the price action experienced by these high-quality Canadian apartment REITs appears excessive. We have often cautioned on the perils of blindly following tidy market narratives, and this strikes us as a prime example. The following chart shows the magnitude of the sell-off in a basket of the largest public apartment REITs in Canada in recent months as well as what appears to be a rather choppy bottoming-out process recently after some strong quarterly results and media reports of activist interest in one of these REITs:

Canadian Multi-Family REITs – Four-Year Unit Price Performance Indexed to 100%

Source: Bloomberg as of March 31, 2025
Unit price performance is average of CAR-U, IIP-U, BEI-U, and KMP-U

These four large publicly traded Canadian multi-family REITs (CAP REIT, Boardwalk, InterRent, and Killam) are strong operators holding high-quality apartment assets that are 96-98% occupied and showing annual rent growth and net operating income growth of +4-8% with in-place rents still 15-25% below market rents. This, in theory, provides a solid cushion against any immigrationrelated rent erosion as well as softness in market rents in a recession. Yet despite these solid fundamentals – in an asset class that Canada is desperately short of (namely housing) – current multiples on public apartment REITs in Canada hover near their lowest levels in the past 15 years.

Canadian Multi-Family REITs – Average Historical P / FFO Multiple



Source: RBC Capital Markets, as of January 9, 2025
Historical P/FFO Multiple is average of CAR-U, IIP-U, BEI-U, and KMP-U

Remarkably, while the <u>public</u> market for Canadian apartment stocks experienced a six-month 25-30% "crash," the demand and pricing for high-quality apartment assets in the <u>private</u> market remains firm, with large volumes of private transactions occurring in the 3.75-4.75% capitalization rate range earlier this year while these publicly traded apartment REITs trade at implied cap rates of 5.25-6.25%. This difference in capitalization rates on long-duration assets translates into public market unit prices trading roughly 25-30% below the price private buyers are likely prepared to pay for individual assets (i.e., net asset value or NAV), especially as interest rates approach multi-year lows and private buyers can source very cheap funding through the Canada Mortgage and Housing Corporation (CMHC).

We believe the 25-30% gap to NAV could considerably narrow over the next two years, creating perhaps a 5-7% annual "tailwind" from a gradual convergence towards the current NAV along with 3-4% annual NAV growth even in a recession and 3-4% annual dividend distributions, all adding up to conservatively 10-12% annual returns on a basket that is liquid, defensive, high quality, and exhibits fairly low downside price risk from current levels, in our view.

Canadian Non-Apartment REITs

The sell-off in Canadian REITs in recent quarters, while most pronounced in the apartment sector, has not spared many higher-quality retail and industrial names. The relentless talk of tariffs, often centred around the automotive sector, has pressured industrial REITs such as Granite and Dream Industrial. At the same time, talk of a possible recession and the untimely demise of the iconic Hudson Bay franchise has pressured a number of high-quality retail REITs such as RioCan and Primaris. The chart below shows the sharp decline in the overall S&P/TSX Capped REIT Index (which includes Apartments, Retail, and Industrial REITs) since last fall:

Canadian REIT Sector – Four-Year Unit Price Performance Indexed to 100%

Source: Bloomberg as of March 31, 2025
Canadian REIT Sector represented by iShares S&P/TSX Capped REIT Index ETF

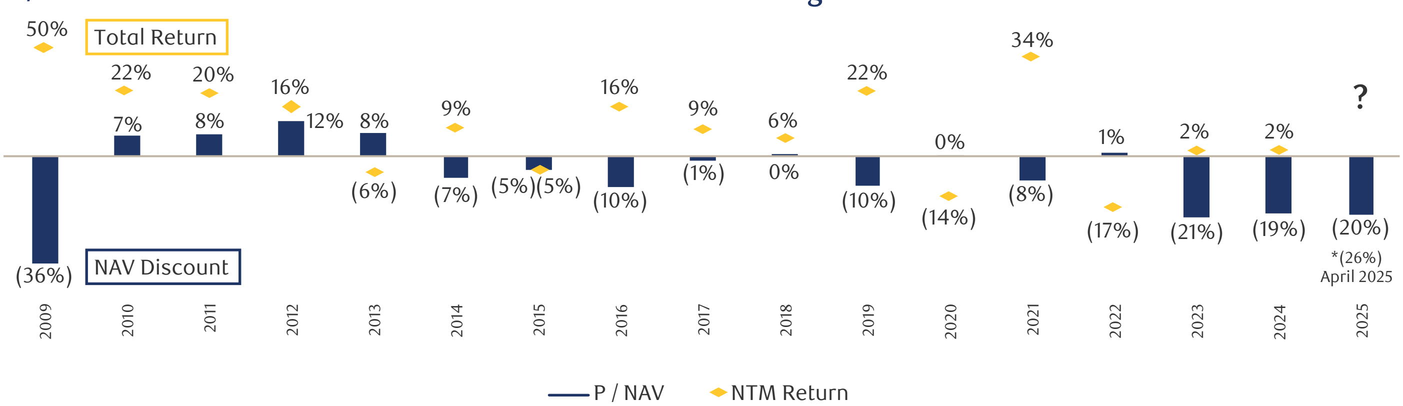
This sharp decline in Canadian REITs has taken place despite declining interest rates and a declining cost of capital for most REITs. Since the fall of 2023, Government of Canada five-year yields have sunk from a peak of almost 4.5% to now almost 2.5%, while credit spreads for most unsecured REIT borrowers have meaningfully compressed. This "one-two punch" has reduced the cost of unsecured debt capital for most Canadian REITs from a peak of 6.50-6.75% in late 2023 to approximately 4.00-4.50% now (a nearly 2.00-2.50% drop). Meanwhile, implied cap rates on a variety of high-quality Canadian REITs have gone the other way and risen by 0.75-1.25%. This type of divergence is rare and typically does not last indefinitely and that is why we are interested not only in apartment REITs but the broader REIT category in Canada.

The Fund is participating in these non-apartment REIT names through a diversified basket and is hedging some of the residual interest rate, sector, and market exposure risk with tactical hedges in several ETFs and equities that we feel have considerable downside in a broad market sell-off.

Canadian REITs – Closing Thoughts

While this is a long section on REITs, our final chart is worth the wait. The current NAV discount in Canadian REITs is one of the wider discounts for this fundamentally stable property class outside of the Great Financial Crisis (GFC) and the early days of the COVID pandemic. Yet current operating and financial metrics (i.e., occupancy, rent growth, cost of debt capital, capital availability, etc.) are far from crisis extremes. The following chart shows the annual returns on the Canadian REIT Index over the past 15 years along with the starting NAV discount or premium in January. The last several years have clearly been anomalous as interest rates experienced a major reset, but looking further back, some of the very best years for Canadian REITs have come on the heels of large January discounts to NAV. [Note: after the sharp April sell-off, the discount to NAV is now in excess of 25% for the broad Canadian REIT sector.]

P / NAV of Canadian REITs at Start of Year vs. Total Return During Year



Source: Scotiabank Global Equity Research, as of January 8, 2025 and April 11, 2025

This fascinating chart gives us further confidence that as tariff and recession risks eventually lessen over time, this could be a rather strong two-year period for Canadian REITs of all varieties, with potentially 10-12%-type annual returns at some point. If heavy tariffs and a mild recession cannot be avoided, we expect the broad Canadian REIT segment may have about 5-10% more near-term downside price risk from these already depressed levels (and perhaps less if interest rates are cut aggressively), but this price decline may be largely mitigated by the 5%+ distribution yield on this basket along with our meaningful tactical hedges, limiting a "bad-case" downside to perhaps only a negative 2% impact at the Fund level, in our view.

- **Preferred Shares:** The Fund's long-standing position in Aimia preferred shares enjoyed a significant positive event this past quarter. Aimia completed a major recapitalization of its balance sheet in January that we feel was a significant "win-win" for both the company and for preferred shareholders. The company repurchased all of the Fund's perpetual preferred stock at relatively attractive prices in exchange for a new 5-year senior debt instrument yielding 10.5%. Exchanging the preferred shares for this new senior debt security has allowed the Fund to move "up the capital structure" to a much more secure position without sacrificing any of the high running yield of the preferred shares, and will eventually provide the Fund with a profitable exit from this position in the next several years. In return, the company will crystallize approximately $54 million of the discount to par on the preferred shares that were exchanged and save over $5 million annually on the considerable taxes associated with paying preferred dividends versus interest payments.

The exchange offer closed in mid-January, at which point the Fund captured the trading discount on the preferred shares to the higher tender prices while moving up in status to an attractive 5-year senior debt instrument with a 9.75% coupon priced at 97% of par (for an all-in yield of 10.5%). We believe this debt instrument could eventually trade up from its initial 97% price given Aimia's relatively solid credit profile (i.e., net debt/EBITDA (earnings before interest, taxes, depreciation, and amortization) of approximately 2.5x and net debt to enterprise value of 45%). As a reference, B-rated industrial companies in similar business lines with comparable credit metrics to Aimia presently yield only 7-8%.

This creative transaction represented a major long-term win for the Fund while allowing for some additional future gains on our smaller, more secure Aimia debt position and importantly creating an elegant eventual exit in several years.

- **Distressed Debt:** The total amount of distressed public debt in the U.S. high yield market declined steadily last year before its recent uptick to about 6% of the overall high yield market. We feel the risk/reward proposition of delving into low-quality distressed paper is not overly compelling especially as economic growth potentially stalls, making this most vulnerable segment of the credit market very unappealing.
- **Credit Hedges:** As the Fund has meaningfully shrunk its exposure to credit markets over the past two quarters, we in turn have also reduced the magnitude of the Fund's often-expensive credit hedge book. While we still maintain a modest credit hedge basket (composed of short positions in both corporate bonds and select equities or equity ETFs), these hedges have been right sized for current long credit exposure, as these hedges come with some cost to the portfolio.
- **Convertible Arbitrage:** The Fund is presently out of the convertible arbitrage strategy due to risks of shorting mid-cap or small-cap stocks amid unstable borrowing conditions. We will remain patient in convertibles, given the illiquid and at-times orphaned nature of this sector in Canada. In our experience, the best time to enter this market is at the tail end of a recession, when pricing can get completely irrational amid indiscriminate selling from retail investors.
- **Risk Arbitrage:** Given heightened regulatory and financing risks over the past four years, we have largely steered clear of risk arbitrage situations. However, changes in attitudes towards regulation suggest that the environment for mergers and takeovers could improve in the years ahead. As returns on cash continue to decline, the spreads available on solid merger deals may start to look more attractive on a relative basis, resulting in more opportunities in this strategy for the Fund. We therefore remain open to this strategy in the years ahead, particularly if we encounter deals with low financing risk, strong industrial logic, and manageable regulatory/anti-trust risk.
- **Event-Driven Equity:** During the quarter, the Fund was active in the following event-driven situations:
  - **Northland Power (NPI)** – The Fund had initiated a very modest position in Northland Power common stock in late 2024 as NPI shares were under significant pressure in the fourth quarter due to negative investor sentiment around offshore wind projects, NPI's uncertain strategic direction under new senior leadership, and likely heavy tax-loss selling. However, given the change in political tone surrounding clean energy projects worldwide and the geographical risk of some of NPI's major projects under construction, we elected to sell the small position at a very modest cost to the Fund.
  - **Aimia (AIM)** – In 2024, the Fund augmented its substantial position in Aimia preferred shares with a very modest long position in AIM common stock. The significant recapitalization of Aimia's balance sheet, as previously discussed, will have a positive long-term impact on the value of Aimia's common shares. By reducing its long-term liabilities by $54 million and by saving over $5 million per year on cash taxes, the net asset value of this relatively small enterprise has likely risen by about 20%, in our view. Applying conservative multiples to Aimia's recent strong guidance for operating profits next year for its two principal industrial business lines (i.e., specialty chemicals and technical rope manufacturing) and adding in AIM's roughly $95 million

of cash on its balance sheet while conservatively assuming all its non-core businesses have zero value and also ascribing zero value to Aimia's considerable $1 billion of tax losses, we arrive at a conservative net asset value for AIM of $4.50 per share, while the shares presently trade at only $2.40 (i.e., over a 40% discount to NAV).

Moreover, the new management and new board of Aimia appear committed to closing the wide gap between its share price and the fundamental value of its core industrial businesses, which are performing very well. Management continues to buy back stock at a fairly aggressive pace and the new board is now strongly aligned with shareholders, with a collective ownership of nearly 30% of the shares outstanding amongst board members. We therefore feel Aimia common stock has the type of asymmetrical profile we look for in event-driven situation, with potentially 30-40% upside over the next two years as recession risks dissipate and as the board executes on its plan.

Aimia – Trading at Significant Discount to the Sum of its Parts

Source: Bloomberg, RBC GAM as of March 31, 2025

Conclusion: Recent Performance Recap and Looking Ahead

Last year, the Fund generated a strong +11.3% return (Series O units) and the positive trend continued this past quarter with a +3.3% return in a very challenging market. The early weeks of the second quarter have been extremely challenging for virtually every asset class but the Fund has managed to limit material drawdowns thanks to its very conservative posture heading into the tariff announcements and thanks to some effective hedging. With very low credit exposure, negligible net equity exposure, zero leverage, and a large cash reserve, the Fund remains well positioned in the treacherous current environment with a variety of complementary strategies:

(i) A steady 5-6% overall yield on a total portfolio level.

(ii) A potential multi-year tailwind from a large thematic trade in Canadian REITs as they eventually close some of the wide gap to private market valuations (while generating healthy 5% dividends).

(iii) Potential future returns from capitalizing on the dislocations we are starting to see in markets with the Fund's record amount of dry powder.

We believe these levers can collectively deliver strong long-term returns for our investors. Combined with tight risk management, responsible diversification, careful security selection, and robust tactical hedging, we hope to generate solid future returns with relatively low volatility and low risk of material permanent capital loss.

As always, we thank our unitholders for entrusting us with your capital and will continue to work diligently with the aim of delivering many more years of solid gains in the Fund.

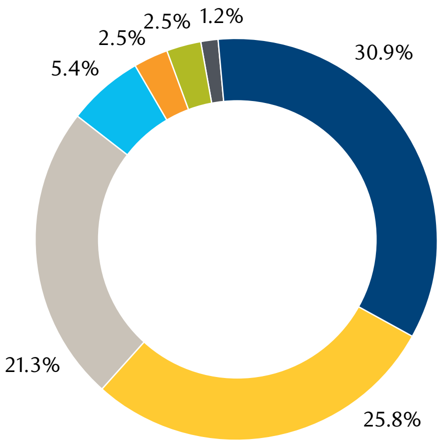
PH&N Absolute Return Fund

Portfolio Summary as of March 31, 2025

Investment Objectives: To provide unitholders with long-term capital growth and income by investing in a portfolio of equities and fixed-income securities and through the use of a number of non-traditional investment strategies.

Inception dates:			**MER:**		
	Series A:	September 2002		Series A:	1.39%
	Series F:	April 2016		Series F:	3.04%
	Series O:	December 2006		Series O:	0.07%

Asset Mix by Strategy



Asset Class
- Cash (net)
- Real Estate (net)
- IG/Crossover Income
- HY Income
- Equity Hedges
- Credit Hedges
- Event Driven Equity

Total Assets 89.5%

Investment returns (%)*

	Series A	Series F	Series O
3 months	2.9	2.4	3.3
Year to date	2.9	2.4	3.3
1 year	9.4	7.8	10.9
3 years	6.5	5.5	7.9
5 years	12.1	11.4	13.6
10 years	5.7	–	7.1
Since inception**	10.4	4.9	11.6

*Annualized compound rates of return on periods over one year.
**See inception dates on top of page.

Distributions ($/unit)†

	Current quarter	Total 2024	Total 2023
Series A			
Income	0.15	0.66	0.82
Capital gain	–	–	–
Total	0.15	0.66	0.82
Series F			
Income	0.12	0.42	0.65
Capital gain	–	–	–
Total	0.12	0.42	0.65
Series O			
Income	0.18	0.78	0.93
Capital gain	–	–	–
Total	0.18	0.78	0.93

†Distributions are characterized into income type at year-end.
Total may not add up due to rounding.

Asset Mix (%)	
Canadian Equities	1.2
REITs (Equity)	41.3
U.S. Equities	0.0
Bonds	26.7
Prefs	0.0
Other (Credit, Equity, and REIT Hedges)	(20.5)
Cash	51.4
Current leverage ratio	0.69x‡

‡The Fund is not currently borrowing to fund additional investments.

Weights do not add to 100% due to rounding.

Sector Allocation (%)	
Consumer Discretionary	0.7
Consumer Staples	0.0
Energy - E&P	(2.5)
Pipelines - Energy Midstream	9.8
Energy Services	0.0
Financials	9.0
Health Care	0.0
Industrials	5.9
Consumer Packaging	0.0
Materials	0.0
Real Estate (net)	25.8
Communication Services	0.0
Technology	0.0
Utilities	0.9
Cash	51.4
Other	0.0

Weights do not add to 100% due to rounding.

PH&N Absolute Return Fund

Summary of Investment Fund Returns

Annualized rates of return (%) for periods ended March 31, 2025[1]

	MER (%)[2]	3 mo[3]	1 yr	3 yrs	5 yrs	10 yrs	Since inception
PH&N Absolute Return Fund • Series A	1.39	2.92	9.43	6.50	12.13	5.66	10.39
PH&N Absolute Return Fund • Series F	3.04	2.44	7.82	5.51	11.40	–	4.95
PH&N Absolute Return Fund • Series O	0.07	3.26	10.89	7.90	13.62	7.05	11.55
FTSE Canada 91 Day T-Bill Index	–	*0.83*	*4.49*	*4.04*	*2.51*	*1.77*	–
FTSE Canada Universe Bond Index	–	*2.02*	*7.65*	*2.50*	*0.88*	*1.77*	–
S&P/TSX Capped Composite Index	–	*1.51*	*15.81*	*7.77*	*16.76*	*8.54*	–

Rates of return (%) for calendar years[1]

	2024	2023	2022	2021	2020	2019	2018	2017	2016
PH&N Absolute Return Fund • Series A	9.9	9.6	-2.5	22.1	-17.0	-1.4	6.5	8.5	33.5
PH&N Absolute Return Fund • Series F	8.2	8.9	-2.5	21.7	-17.1	-1.6	5.4	7.1	16.7
PH&N Absolute Return Fund • Series O	11.3	11.1	-1.2	23.7	-15.8	-0.1	7.9	9.9	35.2
FTSE Canada 91 Day T-Bill Index	*4.9*	*4.7*	*1.8*	*0.2*	*0.9*	*1.6*	*1.4*	*0.6*	*0.5*
FTSE Canada Universe Bond Index	*4.2*	*6.7*	*-11.7*	*-2.5*	*8.7*	*6.9*	*1.4*	*2.5*	*1.7*
S&P/TSX Capped Composite Index	*21.7*	*11.8*	*-5.8*	*25.1*	*5.6*	*22.9*	*-8.9*	*9.1*	*21.1*

Risk measures since the Fund's inception[4] to March 31, 2025

	Annualized standard deviation (%)	Worst calendar quarter (%)	Worst drawdown (%)[5]	Number of negative quarters[6]
PH&N Absolute Return Fund • Series A	10.5%	-30.8%	-32.3%	17
FTSE Canada 91 Day T-Bill Index	*0.5%*	*0.0%*	*n/a*	*0*
FTSE Canada Universe Bond Index	*4.4%*	*-7.0%*	*-15.3%*	*25*
S&P/TSX Capped Composite Index	*12.9%*	*-22.7%*	*-43.3%*	*27*

[1]Rates of return assume reinvestment of all distributions. Series A = after deduction of management fees; Series F = after deduction of management fees; Series O = before deduction of management fees.

[2]MER is based on actual expenses for the period ended March 31, 2025. For Series F, MER shown is not annualized. For all other fund series, MER is expressed on an annualized basis.

[3]The three-month rate of return is a simple return on investment (not annualized).

[4]Series A units of PH&N Absolute Return Fund were created in September 2002. The current manager began managing the Fund in January 2005. Series O units of the Fund were created in December 2006. Series F units of the Fund were created in April 2016.

[5]A "drawdown" is a negative period of performance, from peak to trough. Drawdown calculations are based on monthly returns.

[6]Out of 90 quarters since December 31, 2002.

Reference

Required disclosures and warnings

Rates of return, unit prices and distributions are for Series A, Series F and Series O units (as indicated) of Phillips, Hager & North Absolute Return Fund. Series O returns are gross of management fees.

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