



Investment Management Report for **Kenora**

For Period Ending December 31, 2025

Table of Contents

<i>City of Kenora General</i>	
Executive Summary	1
<i>City of Kenora General Consolidated</i>	
Executive Summary	2
<i>City of Kenora CPTF</i>	
Executive Summary	3
<i>City of Kenora CPTF Consolidated</i>	
Executive Summary	4
<i>Overall</i>	
Executive Summary	5
Commentaries	6
Macroeconomic and Capital Markets Commentary	6
ESG Spotlight	10

Executive Summary - City of Kenora General

Summary of Assets

Summary of Assets for ONE Investment - Kenora General - Model E as of December 31, 2025

	Market Value (\$) December 31, 2025	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,201,418	12.5
PH&N Enhanced Total Return Bond Fund	1,854,632	7.2
PH&N Short Term Bond & Mortgage Fund	7,725,735	30.1
PH&N Canadian Equity Fund	1,077,309	4.2
PH&N Canadian Equity Value Fund	1,072,499	4.2
RBC QUBE Canadian Equity Fund	1,085,919	4.2
RBC QUBE Low Volatility Canadian Equity Fund	3,251,430	12.7
PH&N U.S. Equity Fund	504,349	2.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,031,284	4.0
RBC QUBE U.S. Equity Fund	505,969	2.0
RBC Emerging Markets Dividend Fund	651,380	2.5
RBC Emerging Markets Equity Fund (CAD)	646,574	2.5
RBC International Equity Fund (CAD)	1,525,905	5.9
RBC International Equity Index Fund	1,539,595	6.0
Total Portfolio	25,673,997	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora General - Model E as of December 31, 2025 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	-	-	-	-	-	-	-	-	0.53
<i>Benchmark**</i>	-	-	-	-	-	-	-	-	<i>0.92</i>
Relative Performance	-	-	-	-	-	-	-	-	-0.39

* Performance inception date for ONE Investment - Kenora General - Model E is November 26, 2025.

** ONE JIB Reference Portfolio E, which is 50% S&P/TSX Capped Composite and 50% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora General Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Kenora General Consolidated as of December 31, 2025

	Market Value (\$) December 31, 2025	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,201,418	12.5
PH&N Enhanced Total Return Bond Fund	1,854,632	7.2
PH&N Short Term Bond & Mortgage Fund	7,725,735	30.1
PH&N Canadian Equity Fund	1,077,309	4.2
PH&N Canadian Equity Value Fund	1,072,499	4.2
RBC QUBE Canadian Equity Fund	1,085,919	4.2
RBC QUBE Low Volatility Canadian Equity Fund	3,251,430	12.7
PH&N U.S. Equity Fund	504,349	2.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,031,284	4.0
RBC QUBE U.S. Equity Fund	505,969	2.0
RBC Emerging Markets Dividend Fund	651,380	2.5
RBC Emerging Markets Equity Fund (CAD)	646,574	2.5
RBC International Equity Fund (CAD)	1,525,905	5.9
RBC International Equity Index Fund	1,539,595	6.0
Total Portfolio	25,673,997	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora General Consolidated as of December 31, 2025 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	1.69	-	-	-	-	-	-	-	11.01

* Performance inception date for ONE Investment - Kenora General Consolidated is March 06, 2025.
Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora CPTF

Summary of Assets

Summary of Assets for ONE Investment - Kenora CPTF - Model E+ as of December 31, 2025

	Market Value (\$) December 31, 2025	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,604,561	7.5
PH&N Enhanced Total Return Bond Fund	1,180,613	2.5
PH&N Short Term Bond & Mortgage Fund	19,120,600	39.8
PH&N Canadian Equity Fund	2,042,467	4.3
PH&N Canadian Equity Value Fund	2,034,676	4.2
RBC QUBE Canadian Equity Fund	2,058,206	4.3
RBC QUBE Low Volatility Canadian Equity Fund	6,038,893	12.6
PH&N U.S. Equity Fund	937,406	2.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,878,200	3.9
RBC QUBE U.S. Equity Fund	943,402	2.0
RBC Emerging Markets Dividend Fund	1,224,159	2.5
RBC Emerging Markets Equity Fund (CAD)	1,216,788	2.5
RBC International Equity Fund (CAD)	2,843,046	5.9
RBC International Equity Index Fund	2,893,918	6.0
Total Portfolio	48,016,933	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora CPTF - Model E+ as of December 31, 2025 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	-	-	-	-	-	-	-	-	0.42
<i>Benchmark**</i>	-	-	-	-	-	-	-	-	<i>1.12</i>
Relative Performance	-	-	-	-	-	-	-	-	-0.70

* Performance inception date for ONE Investment - Kenora CPTF - Model E+ is November 26, 2025.

** ONE JIB Reference Portfolio E+, which is 55% S&P/TSX Capped Composite and 45% FTSE Canada Universe Bond Index. Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - City of Kenora CPTF Consolidated

Summary of Assets

Summary of Assets for ONE Investment - Kenora CPTF Consolidated as of December 31, 2025

	Market Value (\$) December 31, 2025	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	3,604,561	7.5
PH&N Enhanced Total Return Bond Fund	1,180,613	2.5
PH&N Short Term Bond & Mortgage Fund	19,120,600	39.8
PH&N Canadian Equity Fund	2,042,467	4.3
PH&N Canadian Equity Value Fund	2,034,676	4.2
RBC QUBE Canadian Equity Fund	2,058,206	4.3
RBC QUBE Low Volatility Canadian Equity Fund	6,038,893	12.6
PH&N U.S. Equity Fund	937,406	2.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	1,878,200	3.9
RBC QUBE U.S. Equity Fund	943,402	2.0
RBC Emerging Markets Dividend Fund	1,224,159	2.5
RBC Emerging Markets Equity Fund (CAD)	1,216,788	2.5
RBC International Equity Fund (CAD)	2,843,046	5.9
RBC International Equity Index Fund	2,893,918	6.0
Total Portfolio	48,016,933	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora CPTF Consolidated as of December 31, 2025 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	1.36	-	-	-	-	-	-	-	7.90

* Performance inception date for ONE Investment - Kenora CPTF Consolidated is March 06, 2025.
Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Executive Summary - Overall

Summary of Assets

Summary of Assets for ONE Investment - Kenora - Consolidated as of December 31, 2025

	Market Value (\$) December 31, 2025	Market Value (%)
BlueBay Total Return Credit Fund (Canada)	6,805,978	9.2
PH&N Enhanced Total Return Bond Fund	3,035,245	4.1
PH&N Short Term Bond & Mortgage Fund	26,846,335	36.4
PH&N Canadian Equity Fund	3,119,775	4.2
PH&N Canadian Equity Value Fund	3,107,175	4.2
RBC QUBE Canadian Equity Fund	3,144,126	4.3
RBC QUBE Low Volatility Canadian Equity Fund	9,290,323	12.6
PH&N U.S. Equity Fund	1,441,755	2.0
RBC QUBE Low Volatility U.S. Equity Fund (CAD)	2,909,484	3.9
RBC QUBE U.S. Equity Fund	1,449,371	2.0
RBC Emerging Markets Dividend Fund	1,875,539	2.5
RBC Emerging Markets Equity Fund (CAD)	1,863,362	2.5
RBC International Equity Fund (CAD)	4,368,951	5.9
RBC International Equity Index Fund	4,433,513	6.0
Total Portfolio	73,690,930	100.0

All fund units are Series O unless otherwise stated in the name of the fund.

Account Performance

Performance for ONE Investment - Kenora - Consolidated as of December 31, 2025 (%)

	3 Mo	YTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	10 Yr	SI*
Account	1.47	-	-	-	-	-	-	-	8.95

* Performance inception date for ONE Investment - Kenora - Consolidated is March 06, 2025.

Total returns are gross of fees and reported in Canadian dollars. Periods less than one year are not annualized.

Macroeconomic and Capital Markets Commentary and Outlook

The following commentary summarizes meaningful trends and events that we've observed over the past quarter.








Global **economic growth** faced competing forces this past year, as the headwinds of U.S. tariffs and tumbling immigration were partially offset by fiscal stimulus and continued interest rate cuts by central banks. Accordingly, economic growth persisted, if at an uninspired clip. We believe growth should accelerate moderately in the year ahead and may pleasantly surprise

relative to consensus expectations. Tariff headwinds should fade, and important tailwinds are set to blow. These beneficial forces include interest rate cuts, further fiscal stimulus, low oil prices, a positive stock market wealth effect, further growth in artificial intelligence (AI) expenditures, and the early stages of an AI-driven productivity boost. The U.S. economy should remain among the developed world's economic growth leaders, while in Canada, we continue to budget for a period of subdued growth through the first quarter of 2026 as tariff impacts settle and until greater clarity is achieved on the fate of the USMCA trade deal. At that point, we expect the combination of rate cuts and fiscal stimulus should permit a steady acceleration into the end of the year.

In terms of **rate cuts**, the clock has not yet run out on this monetary easing cycle. Looking ahead, we budget for a bit more economic help, both due to the lagged effect of earlier rate cutting and the future impact of additional easing to come. The U.S. Federal Reserve (Fed) in particular can afford to deliver several more rate cuts as it moves from a restrictive to a neutral stance, and the Fed's recent move to end

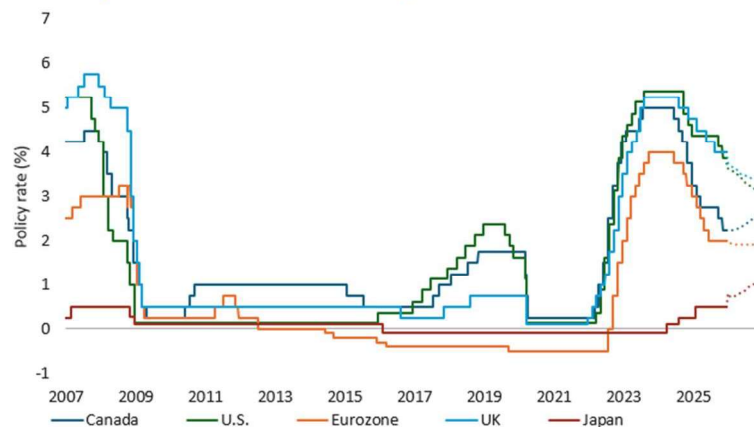
quantitative tightening is also supportive. In our opinion, the Bank of England also appears to have space for further easing, and it is conceivable that Bank of Canada could return to easing. Fiscal stimulus is also set to be an important 2026 theme. The One Big Beautiful Bill Act should have a substantially positive

Growth tailwinds for 2026

	U.S.	Canada	Rest of developed world
 Monetary policy	+	++	++
 Fiscal policy	+	+	+
 Stock market wealth effect	++	++	++
 Oil prices	++	+	++
 U.S. dollar	+	.	-
 AI cap ex	+	.	.
 AI productivity	+	+	+
Overall	++	++	++

Note: As of 12/01/2025. Source: RBC GAM

Most major central banks are cutting interest rates



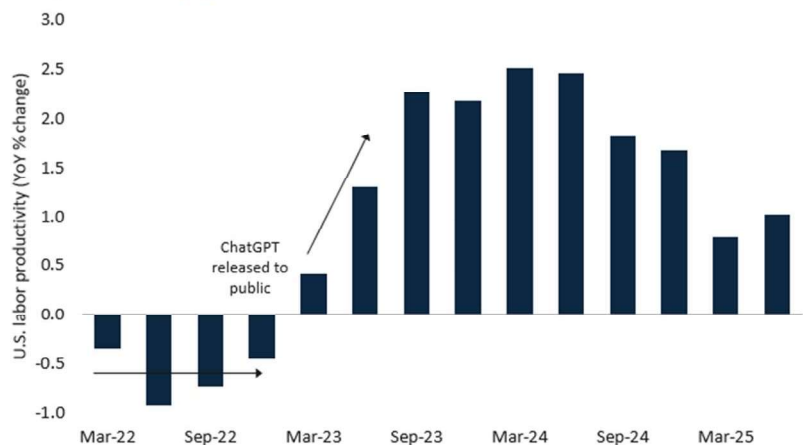
Notes: As of 12/08/2025. Dotted lines indicate futures pricing. Source: Bloomberg, RBC GAM.

effect on U.S. economic growth as a variety of its tax-cutting initiatives take effect in 2026. In Canada, the latest budget unveiled fiscal stimulus measures and a push for more infrastructure and capital investments, while globally, many countries have committed to additional defence spending.

One factor not mentioned thus far but of ongoing significance is **inflation**. It remains too high in the U.S. and slightly elevated in several developed markets, primarily due to tariff increases and persistent post-pandemic economic scarring. Our CPI forecasts for 2026 are slightly above consensus, reflecting aggressive central bank easing amid persistent inflation and large fiscal deficits that could lead some countries to tolerate higher inflation. However, we expect year-over-year inflation to peak in spring 2026 before declining, supported by four key factors: the U.S. labour market is cooling, a continuing post-shock tariff impact on inflation should be relatively tame, shelter costs are easing, and oil prices are low. On the whole, inflation may not fall by quite as much as consensus expectations, but there is room for improvement in the year ahead.

Artificial intelligence has become a topic of central importance to capital markets and a significant economic driver, with massive capital expenditures for model and infrastructure development already contributing substantially to economic growth. While concerns about AI bubbles and malinvestment are understandable given the scale of deployment, today's situation differs markedly from the late 1990s tech bubble – current stock valuations are more reasonable, and the involved companies are largely profitable and diversified with spare cash flow even after enormous outlays. Regardless of short-term stock movements, this massive AI spending is advancing the technological frontier and promises substantial productivity increases across industries, leading us to budget for accelerated productivity growth in coming decades that is already becoming visible. Although the majority of AI capital expenditures occur in the U.S. and China, technological breakthroughs typically deliver productivity benefits globally, making this a worldwide opportunity. That said, alongside this tremendous promise, it will be essential to monitor for signs of large-scale worker displacement, as higher structural unemployment would pose significant societal and economic challenges.

U.S. productivity growth has increased since the release of ChatGPT



Note: As of Q2 2025. Source: U.S. BLS, Macrobond, RBC GAM

Turning to capital markets, **global equity markets** ultimately found their footing in 2025 and rewarded investors with strong returns in most major markets amid easier financial conditions, impressive profit growth, and heightened expectations that AI will transform business. The strong gains mean that valuations have been creeping higher almost everywhere, and the overvaluation story is no longer just a U.S. large-cap phenomenon. The S&P 500 is the most expensive equity market, but markets in Canada and Japan are also close to a full standard deviation above their fair values. Stock indices in Europe and emerging markets continue to trade at attractive distances below their fair value.

Equity Indices Performance Comparison as of Dec 31, 2025 (%)		
	3 Mo	1 Yr
S&P/TSX Composite Index (C\$)	6.25	31.68
S&P 500 Index (C\$)	1.24	12.56
MSCI World Index (C\$)	1.59	15.41
MSCI EAFE Index (\$C)	3.30	25.07
MSCI Emerging Markets Index (C\$)	3.18	27.30

Source: RBC GAM

In the **U.S.**, the S&P 500 Index finished the period on a slightly weak note, but still managed a positive return over the quarter and a double-digit return over the full year. Six out of eleven sectors in the index generated a negative return over the fourth quarter, and most notably, the Information Technology sector – which makes up a third of the sector by weight – was flat over the period following several quarters of robust returns. This lackluster performance occurred as shares of several major technology companies declined due to concerns about AI industry valuations and fears of a potential AI bubble. Meanwhile, the Health Care sector generated strong returns on the back of easing policy uncertainty as several pharmaceutical companies reached agreements with the U.S. government, combined with strong demand for several blockbuster drugs, particularly GLP-1s such as Ozempic and Wegovy.

In **Canada**, the S&P/TSX Composite Index delivered a 6.3% return in the fourth quarter, outperforming global peers as strength in banks, gold mining, and technology drove new all-time highs. Declining interest rates and fiscal support offset domestic headwinds including sluggish economic growth and elevated unemployment. Canadian equities are poised to benefit from robust earnings growth, though a measured outlook prevails because of trade uncertainty. The impending CUSMA renegotiation in 2026 poses risks, and higher U.S. tariffs on Canadian steel and aluminum continue to undermine long-term investment confidence in certain sectors.

Emerging market equities finished 2025 having outperformed developed markets for the first time in five years, with the MSCI Emerging Markets Equity Index outperforming the MSCI World Index by a meaningful 11.9% over the one-year period. Moreover, long-term drivers are in place for a new cycle in favour of emerging markets. U.S. dollar weakness has been a significant factor in these long-term cycles, and a prolonged decline in the dollar would support further EM outperformance and provide EM central banks with opportunities to ease monetary policy. Return on equity is another important factor in the improvement of relative returns in emerging markets, and several EM countries are now focusing more on shareholder value, boding well for outperformance. The possibility of a new long-term cycle favouring emerging markets combined with the potential for a peak in relative U.S. economic growth and stock-

market capitalization has renewed investor interest in emerging markets. The substantial valuation discount versus developed markets should also support EM stocks.

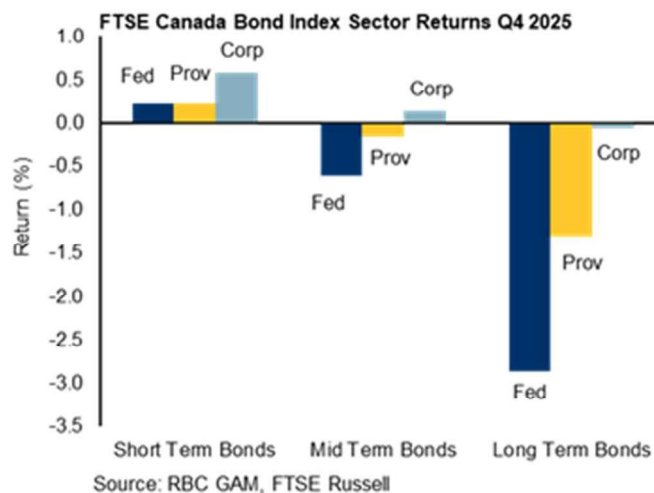
Global fixed income markets delivered modest positive returns in the fourth quarter, supported by declining interest rates and easing monetary policy expectations. U.S. bonds posted solid gains as the Fed cut rates twice during the period, while international and emerging market debt benefitted from a weaker U.S. dollar and relatively attractive yields.

The Canadian fixed income market

experienced mixed performance in the fourth quarter, with rising Government of Canada bond yields creating headwinds that were partially mitigated by narrowing credit spreads. Ultimately, the FTSE Canada Universe Bond Index delivered a negative return of -0.3% for the period. The steepening of the GoC yield curve led short- and mid-term bonds to outperform the negative returns in long-term bonds over the quarter. In the short- and mid-term segments, corporate bonds outperformed as

a result of spread tightening and yield accrual. Corporate bonds also outperformed in the long end, mostly due to their significantly shorter duration profile (and thus, lower sensitivity to rising GoC yields) compared to the federal and provincial segments.

Looking ahead, bond yields across the GoC yield curve are expected to rise modestly as a result of recent economic strength, which may further be bolstered by the federal government's expansionary fiscal policy. This expected rise is already reflected in bond prices. In terms of credit, it continues to offer an attractive source of incremental yield in fixed income portfolios, although the possibility of spread widening exists should we encounter a risk-off scenario.



RBC Global Asset Management (RBC GAM) ESG Spotlight: ESG-related engagements

Our approach to engagement¹ reflects our belief that issuers that manage their material environmental, social, and governance (ESG) factors² and related risks will likely reduce the probability of experiencing losses that would accompany an ESG-related incident. As part of the investment process, our investment teams and Responsible Investment (RI) team may meet with the issuers in which we invest on a regular basis to discuss a variety of topics deemed relevant to the investment case, which may or may not include material ESG factors, where applicable.

The specific ESG factors we engage on can differ based on sector, asset class, and geography, as ESG-related engagement is prioritized based on the materiality of the ESG factor to the specific investment or portfolio. Teams may also prioritize their engagement efforts based on the size of the investment and level of risk, among other items. Additionally, we may consider material ESG factors that pose systemic risks, such as governance, climate change, and human rights.

In this edition of RBC GAM's ESG Spotlight, we look at some of the ESG-related engagements that our investment teams completed in the fourth quarter of 2025.

Governance

We believe that issuers with good governance practices are generally able to focus on long-term sustainable growth and are more likely to effectively manage conflicts and material environmental and social risk factors. These issuers are also more likely to access fixed income markets when needed and pose less risk for equity investors due to proper alignment of shareholder and management interests. We may engage with issuers to better understand their corporate governance practices and management.

- The RBC Global High Yield team, part of the RBC Global Fixed Income & Currencies team³, met with North American chemical company **Chemours** to discuss its progress on court-mandated environmental remediation actions. These actions are required by the terms of a settlement agreement reached to address the legal liabilities and remediation costs associated with past toxic spills and contamination. Having invested after the settlement, the team engaged with the company to gather further context, updates, and insights regarding the remediation. The company completed its goal of eliminating nearly all targeted discharges from continuing operations, which it achieved by building a barrier wall with a groundwater extraction and

¹ RBC GAM has a general approach to active stewardship, proxy voting, and engagement that addresses ESG matters among other matters. References to active stewardship do not apply to certain funds or investment strategies that do not undertake proxy voting and/or engagement activities, including, but not limited to, quantitative investment strategies that do not conduct engagements, passive strategies, and certain third-party sub-advised strategies. RBC GAM does not manage proxy voting for certain third-party sub-advised strategies.

² Material refers to ESG factors that are most likely to have an impact on the financial performance of an issuer/security, and may depend on different factors such as the sector and industry of the issuer.

³ Employees of RBC Global Asset Management (UK) Limited, RBC Global Asset Management (U.S.) Inc., and RBC Global Asset Management Inc.

treatment system, as well as by installing a thermal oxidizer with 99.99% destruction efficiency. Long-term commitments for remediation also continue to progress, with the issuer developing alternative water supply systems, implementing a 20-year maintenance program for all installed treatment systems, and providing ongoing monitoring of groundwater and surface water quality. The investment team will continue to monitor the issuer's progress on its remediation efforts as well as associated regulatory and technical developments.

- The RBC North American Equity team met with global technology company **Cisco** to discuss its board governance, executive compensation, and artificial intelligence (AI) practices. On board governance, the team raised concerns about director overboarding, whereby sitting on an excessive number of boards can compromise a director's ability to serve effectively, as well as the long-term sustainability of its combined CEO and Board Chair position. The issuer provided effective reassurance on both fronts, noting that positive changes with respect to board commitments are anticipated, and acknowledging that the team's feedback on the combined role would be shared with the board. The team found the issuer's breakdown of the increase in CEO pay to be reasonable and appreciated that performance metrics were adjusted to account for the impact of a recent acquisition. Looking forward, the company is focused on developing a responsible AI framework to govern its approach to developing AI-based solutions. The issuer's commitment to continuous improvement in governance left a positive impression on the investment team.
- The RBC Alternative Investments Team met with the new interim CFO of a Canadian consumer lender (confidential issuer) to discuss concerns regarding management turnover and the company's lending practices. The team discussed the CFO's prior experience, which includes 20+ years in financial services and two previous CFO positions at well-known financial institutions. In addition, the CFO provided the rationale behind the departure of two key company executives in 2025.

The company was also recently targeted by a short seller, in part for its use of borrower assistance tools when customers face financial difficulties. The team gained a better understanding of how the company works with its customers and uses these tools in select cases to mitigate credit losses and lower the level of delinquencies in the loan portfolio. While the investment team found the interim CFO to be a seasoned executive who provided adequate responses to its questions, management turnover and credit concerns raised in the short report reduced the team's confidence in the company; accordingly, the team trimmed its position in the company's bonds following the engagement.

Human Capital Management

Effective human capital management can have material implications for a company's resilience and its capacity for value creation. We may engage with issuers to better understand their strategies around recruitment, skill development, and retention.

- The RBC Emerging Markets Equity team⁴ engaged with leading Indonesian bank **Bank Central Asia** to discuss its approach to building a strong workplace culture. Through partnerships with various universities, the bank awards scholarships covering both tuition and living costs, over time enabling the development of an enduring and robust talent pipeline. The success of the program is reflected in the bank's low attrition rates (< 3%), with program participants well represented in middle management. The bank's long-term mindset is also reflected in its development strategy, where steady and prudent loan growth has been prioritized over short-term results, resulting in what the investment team views as operational excellence. The team views the bank's long-term approach to strategic development and employee engagement as a competitive advantage that has contributed to a superior long-term results profile relative to peers.

Climate Change

We believe that climate- and nature-related factors are systemic risks that may materially affect issuers and the economies, markets, and societies in which they operate. As such, we may engage with issuers on their management of material climate-related risks and opportunities.

- The RBC Global Equity team⁵ met with global technology company **Nvidia** to discuss its emissions and resource management strategy. In 2025, the company set two new emissions reductions targets that were validated by the Science Based Targets Initiative (SBTi): a 50% reduction in absolute Scope 1 and Scope 2 emissions by 2030, and a 75% reduction in Scope 3 emissions intensity from use of sold GPU products (specialized graphics processors), also by 2030. While absolute Scope 3 emissions are increasing as a result of growth in AI, the company emphasized that emissions intensity per unit of compute is declining rapidly as chips become more efficient. Looking forward, the company expects to publish a complete Scope 3 emissions inventory by year-end while continuing to prioritize performance per-watt improvements across its chip portfolio. Meanwhile, key innovations in resource management include closed-loop cooling systems for its AI chips that reduce water consumption by 300x. The investment team appreciated the update on the company's environmental initiatives and will continue to monitor progress, particularly on AI-related emissions given the rapidly evolving landscape.
- The BlueBay Fixed Income team⁶ met with the management team of New Zealand electricity generator-retailer **Contact Energy** ahead of the company's debut euro-denominated green bond issuance⁷ to discuss operational risks, energy transition strategy, and credit outlook. The company's power generation portfolio primarily consists of renewable energy assets including hydropower, geothermal power, and wind power. The conversation specifically focused on the evolving challenges and opportunities associated with hydropower in New Zealand, including the country's transition away from natural gas and its evolving regulatory environment, as well as

⁴ Employees of RBC Global Asset Management (UK) Limited

⁵ Employees of RBC Global Asset Management (UK) Limited

⁶ Employees of RBC Global Asset Management (UK) Limited and RBC Global Asset Management (U.S.) Inc.

⁷ A green bond issuance is a type of debt issuance where the use-of-proceeds is earmarked for environmental projects.

ongoing retail pricing pressures due to network cost inflation. Hydrology risks (i.e., risks associated with water variability, including droughts and floods) remain key operational risks for the company. To improve resiliency, the company is securing long-term contracts and adding battery storage capabilities to mitigate intermittency challenges. From an investment perspective, the investment team bought into the new green bond issue given its constructive credit view and the alignment of the green bond issuance with the company's decarbonization strategy. The team will monitor the successful execution of the company's battery storage projects as well as issues impacting hydropower in New Zealand, including hydrology-related risks and regulation.

Enhanced Disclosure

We believe that clear and comprehensive disclosure of material ESG factors better positions investors to incorporate these factors into investment decision making. We may engage with issuers to better understand their approach to ESG-related disclosures and seek public disclosure of material ESG factors where appropriate.

- The PH&N Fixed Income team met with the management team of supranational entity **World Bank** to discuss its project governance and disclosure practices. The entity provided insight on its processes for selecting, implementing, and monitoring its project portfolio. On project selection, the entity is focused on projects addressing food security, health care, and climate risk. All projects include a climate risk impact assessment and require a government guarantee. Once the project is initiated, a project lead is assigned, after which disbursement is completed in phases with a milestone payment mechanism. Notably, for each project, the entity publicly discloses the disbursement amount and current status. This approach – combined with other safeguards, such as mechanisms to re-allocate loans provided to stalled or cancelled projects – contributes to the entity's strong track record of loan performance. The investment team appreciated the insight provided and will continue to monitor the suitability of the investment for the portfolios it manages.
- The RBC GAM Private Markets Global Infrastructure Investment team met with the board of directors of **407 International**, a North American toll road company, to discuss governance, strategic priorities, and stakeholder engagement. As a private company, the issuer has demonstrated leadership in ESG reporting by adopting and publicly disclosing against both the Sustainability Accounting Standards Board (SASB) Standards and the recommendations of the Task Force on Climate-Related Disclosures (TCFD). The SASB Standards support the identification, monitoring, and management of industry-specific and material ESG factors,⁸ while the TCFD recommendations support the identification and management of climate-related risks and opportunities. To further enhance its ESG disclosures, the company commissioned a third-party socioeconomic impact analysis to measure the value of the social benefits provided by the toll road network to the community. These benefits stem from improved safety and productivity

⁸ New standards published by the International Sustainability Standards Board (ISSB) build on and consolidate the work of the SASB Standards and TCFD Recommendations. As such, the TCFD has been disbanded and the ISSB has assumed responsibility for the SASB Standards. Issuers are still permitted to disclose against TCFD and SASB and may be required to do so.

due to reduced travel time, as well as broader economic benefits. The company's proactive approach to measuring and disclosing social value reinforced the investment team's conviction in the company's ability to effectively manage operational and reputational risks.

These examples comprise a small selection of the engagements our investment teams complete in any given year. For further information on these and RBC GAM's additional stewardship activities, please refer to www.rbcgam.com/ri.

Notice

The Q2 RBC GAM ESG Spotlight: 2025 Proxy Season included the incorrect date range and a data formatting issue, which resulted in incorrect values under Votes Against Management. We have provided the updated Summary of Voting Statistics table below.

Summary of Voting Statistics – January 1 to June 20, 2025 ^{9,10}

	Canada	U.S.	Rest of World	Overall
Proposals	2,668	10,891	9,548	23,107
With Management ¹¹	2,475	9,070	8,830	20,375
Against Management	193	1,821	718	2,732
% of Votes AGAINST Management	7.23%	16.72%	7.52%	11.82%

⁹ The proxy voting statistics include voting for RBC GAM except for externally managed sub-advised funds and certain institutional accounts. Statistics do not include votes for portfolios managed by RBC Indigo Asset Management Inc.

¹⁰ Voting statistics account for proxy votes submitted by RBC GAM and may include instances where RBC GAM's proxy votes were rejected at the time of meeting, which may occur due to proxy voting administration issues. Voting statistics exclude instances where RBC GAM intentionally did not vote due to shareblocking restrictions, a decision to vote on a competing proxy card in a proxy contest, or due to logistical impediments. Regions based on Institutional Shareholder Services' (ISS) market classification. Rest of World includes all markets other than Canada and USA.

¹¹ Indicates a vote consistent with the management's recommendation.



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