RBC Dominion Securities Inc.

Working with Fiduciaries

(Building Risk Managed Financial Portfolios and Solution for UHNW)

RBC Wealth Management Dominion Securities

THE VASTIS ADVISORY GROUP

Family Enterprise Advisor

Agenda

1. Introductions
2. How We Work with Fiduciaries
3. RBC Platform Flexibility
4. Institutional Investment Management
5. Custom Portfolios
6. Consolidated Reporting
7. Next Steps

Executive Summary

Working with RBC Wealth Management Dominion Securities:

1. Provides The Trustees with the process and oversight to ensure you are meeting your fiduciary duties while supporting strong governance over the investing process
   - Investment Policy development and monitoring
   - Risk management
   - Compliance and oversight regarding third party manager selection, investment decisions and asset allocation
2. Access to best in class Third Party Managers, in a simplified, cost effective structure
   - Flexibility to manage third party managers and asset allocation without incurring trading costs
   - Diversify risk with a complimentary multi-manager portfolio
3. Coordination within your investment portfolio
4. Access to an independent and objective research team within RBC Wealth Management to provide customized solutions that:
   - Reduce overall costs
   - Provide timely reactions to constantly changing market conditions

Executive Summary (continued)

Working with RBC Wealth Management Dominion Securities

1. Ability to customize products and portfolios ,developed to meet your specific needs
2. Consolidated, customized and simplified Reporting
3. Cost transparency
4. Ability to leverage the strength of RBC Financial Group
   - RBC Capital Markets
   - Leading global equity and fixed income research within RBC and outside
   - RBC Economics
   - Commercial Banking
   - RBC Global Asset Management

HOW WE WORK WITH FIDUCIARIES

Prudent Investment Practices

As Trustees and Decision Makers of <name> Foundation, we understand your role and responsibilities as two-fold:

1. Oversee the overall objectives of the trusts & foundation to ensure you achieve your greater goals
2. Develop & Adhere to a Governance System
   - ✓ Establish Structure & Discipline
   - ✓ Prudently Manage the Investment Process

In the Institutional world, prudence is process, <u>not</u> performance

Roles & Responsibilities of the Trustees

7 Global Fiduciary Precepts

- Know standards, laws, and trust provisions
- Diversify assets
- Prepare investment policy statement
- Use “prudent experts” and document due diligence
- Control and account for investment expenses
- Monitor the activities of “prudent experts”
- Avoid or manage conflicts of interest

Source: fi360– The Seven Core Principles Every Fiduciary Should Know and Follow (2015)

Precept #2 – Diversify Assets

Defining the Investment Profile

Precept #4 – Use Prudent Experts

Institutional Manager Due Diligence

- **Kevin McDevitt, CFA, CAIA** — Director, Global Manager Research
  - **John MacIsaac, CFA** — Canadian Research Lead
    - Sarah Bewley, CFA — Sr. Analyst
    - Clayton Kelly — Analyst
    - Lucy Liu, CFA — Associate
  - **Aaron Hanson, CFA** — US Research Lead
    - Kent McClanahan, CFA — Senior Analyst
    - Rebecca Kamsin, CFA — Analyst
    - Chris May, CFA — Analyst
    - Jess Beinlich — Analyst
    - Alex Zachman — Associate
  - **Mark Steffen, CFA, CAIA** — Alternatives Lead
    - Chris Koppelman, CFA, CAIA — Senior Analyst
    - Robert Weiler, CFA — Senior Analyst
  - **Cedric Buermann, CFA** — Quantitative Analysis
  - **Anastasia Diangelaki, CFA** — BI/Asia Lead
    - Kyle Shea, CFA — Analyst
    - Eleni Karadimitri — Associate
    - Vacant

Fast Facts:
19 team members
14 CFA Charter holders
3 CAIA Charter holders

Global Footprint:
4 Members in Toronto
4 Members in the UK
11 Members in the US

Annual Coverage:
1100 meetings
70+ cities in US, Canada, Europe
$100B Globally

Precept #4 – Use Prudent Experts

Institutional Manager Research: Four Pillar Approach

Firm & Product

- Ownership Structure
- History of Firm/Product
- Leadership/Culture
- Asset Growth/Capacity
- Viability

Investment Professionals

- Experience/Tenure
- Incentive Structures
- Ownership Eligibility
- Succession Planning
- Professional Turnover

Investment Process

- Philosophy/Process
- Idea Generation
- Research Capabilities
- Buy/Sell Discipline
- Final Decision Maker

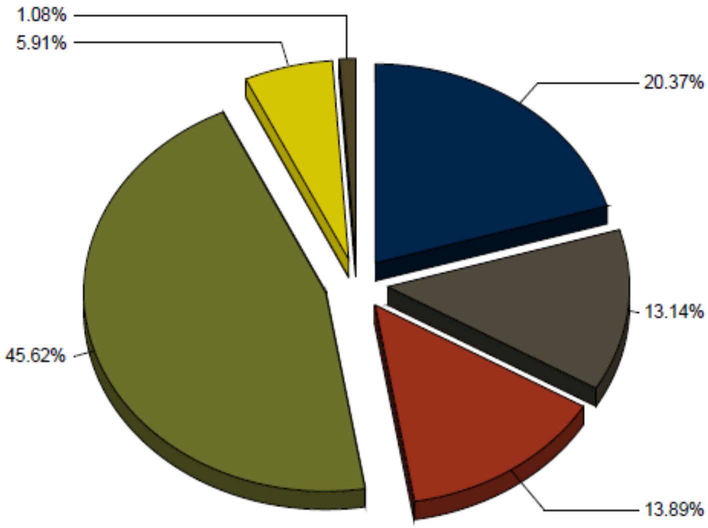
Performance

- Multi-Factor Analysis
- Absolute & Relative Terms
- Style & Attribution Analysis
- Focus on Long-Term

Precept #6 – Monitor the activities of “prudent experts”
Consolidated Reporting

- Reporting is customized to meet the needs of each client
- All assets held at RBC Dominion Securities can be consolidated into a single monthly, quarterly, semi-annual and/or annual report.

Allocation by Asset Class and Geography



Geography	Market Value	%
Equity - Canada	4,246,916	20.37
Equity - United States	2,739,505	13.14
Equity - International/ Global	2,896,185	13.89
Total Equity	**9,882,605**	**47.40**
Fixed Income - Canada	9,513,493	45.62
Total Fixed Income	**9,513,493**	**45.62**
Cash and Cash Equivalents - Canada	1,232,013	5.91
Cash and Cash Equivalents - United States	225,758	1.08
Total Cash and Cash Equivalents	**1,457,772**	**6.99**
Total Canada	14,992,422	71.89
Total US	2,965,263	14.22
Total Global	2,896,185	13.89
Total Portfolio	20,853,870	100.00

Precept #6 – Monitor the activities of "prudent experts"

Consolidated Reporting

Performance By Manager As of Jan 31, 2018

Wealth Management
Dominion Securities

Component/Benchmarks [1 2]	Style Name	QTD	YTD	Trailing 1 Yr [3]	Trailing 3 Yrs [4]	From Start Date	Start Date	Manager Total	Manager Pct
Guardian Capital LP Global Dividend (USD) (WMS)	Global Equity	1.22 %	1.22 %	16.31 %	8.56 %	12.16 %	Sep 25, 2014	30,036,367 CAD	26.19 %
MSCI All Country World Index GR USD		3.47	3.47	20.62	11.22	14.05			
Walter Scott & Partners Global Equity ADR (WMS)	Global Equity	3.79	3.79	23.48	13.71	15.90	Sep 25, 2014	30,443,104	26.54
MSCI All Country World Index GR USD		3.47	3.47	20.62	11.22	14.05			
GW&K Small/Mid Cap Core Equity (WMS)	US SMID Cap Core Equity	1.04	1.04	13.00	11.04	15.48	Sep 25, 2014	8,446,373	7.36
Russell 2500 TR		0.91	0.91	11.75	10.67	15.39			
Connor Clark and Lunn CDN Equity Income and Growth (WMS)	Canadian Equity	-1.80	-1.80	5.77	7.09	5.90	Sep 25, 2014	45,764,882	39.91
S&P/TSX Composite Index Total Return		-1.39	-1.39	6.67	5.90	5.14			

1 Performance is shown gross of all fees.

2 A benchmark is an unmanaged index, and its performance does not include any advisory fees, transaction costs or other charges that may be incurred in connection with your investments and/or managed accounts listed. Any benchmark whose return is shown for comparison purposes may include different holdings, a different number of holdings, and a different degree of investment in individual securities, industries or economic sectors than the investments and/or investment accounts to which it is compared. Investors cannot invest directly into a benchmark or index. All portfolio returns for all periods are expressed in CAD. All benchmark(s) returns reflect the same currency as the portfolio returns presented. Yearly performance values (e.g. Last 3 Years) shown are from the specified period up to Jan 31, 2018.

3 Trailing 1 Year is Jan 31, 2017 to Jan 31, 2018

4 Trailing 3 Year is Jan 31, 2015 to Jan 31, 2018 , annualized

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Services & Support for Investment Fiduciaries

IPS Development

Asset Allocation Decision

Strategy Development

Portfolio Analysis

Performance Measurement

Ongoing Monitoring & Review

- Thorough Understanding of the Foundation Objectives
- Confirm Funding Arrangements
- Confirm Cash Flow Requirements
- Understand Investment Objectives & Risk Tolerance
- Confirm Investment Structure
- Develop & Review Investment Policy
- Recommend Asset Mix Allocations
- Investment Management Research & Due Diligence
- Ongoing Portfolio Maintenance
- Reporting
- Regular Reviews – Investments, Strategy & Rebalancing
- Custodial Functions
- Fee Analysis
- Transition Strategy Planning
- Formal Meetings
- Ongoing Communication
- Education – e.g. Financial Literacy & Awareness

PLATFORM FLEXIBILITY

The Investment Management Continuum

Non-Discretionary model

- Client directs investment portfolio with investment advisor
- Transactional
- Commission-based
- Ideas focused

Discretionary model

- Client directly hires or terminates money managers and monitors overall portfolio across selected managers
- Limited ability to perform effective due diligence over managers
- Time consuming
- Technical capabilities required to monitor managers and assess performance may not be available

Fiduciary model

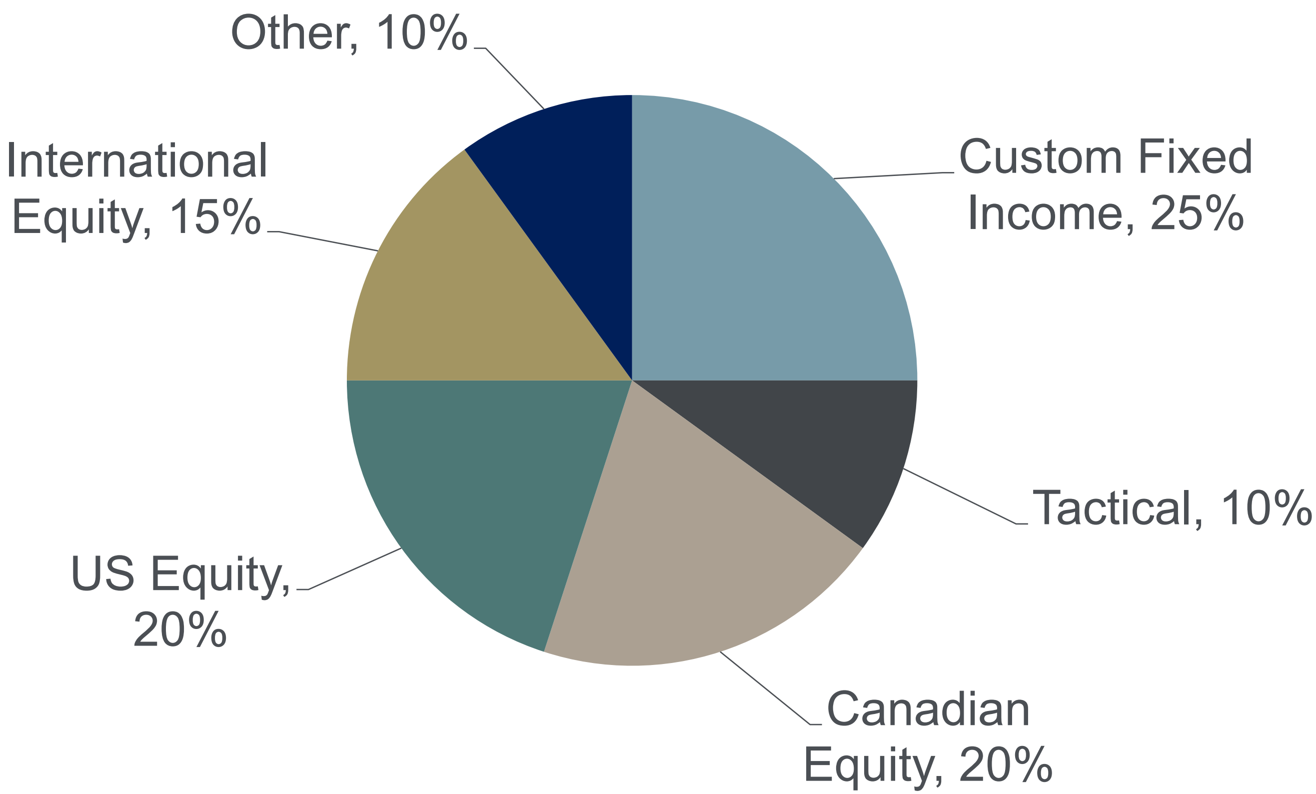
- Consulting firm engaged to hire, evaluate and select money managers
- Unbiased evaluation of managers based on consulting firm's broad experience
- No on-going relationship for future manager review and selection process
- Costs dependent on services provided

Strategic model

- Investment Consultant retained
- Client Centric & advice driven including ongoing relationship with comprehensive resources & specialized expertise
- May be a combination of non discretionary, discretionary &/or a fiduciary model
- Comprehensive & all inclusive services – e.g. custody, consolidated reporting, portfolio monitoring & analysis capabilities
- Unbiased perspective on performance and manager retention

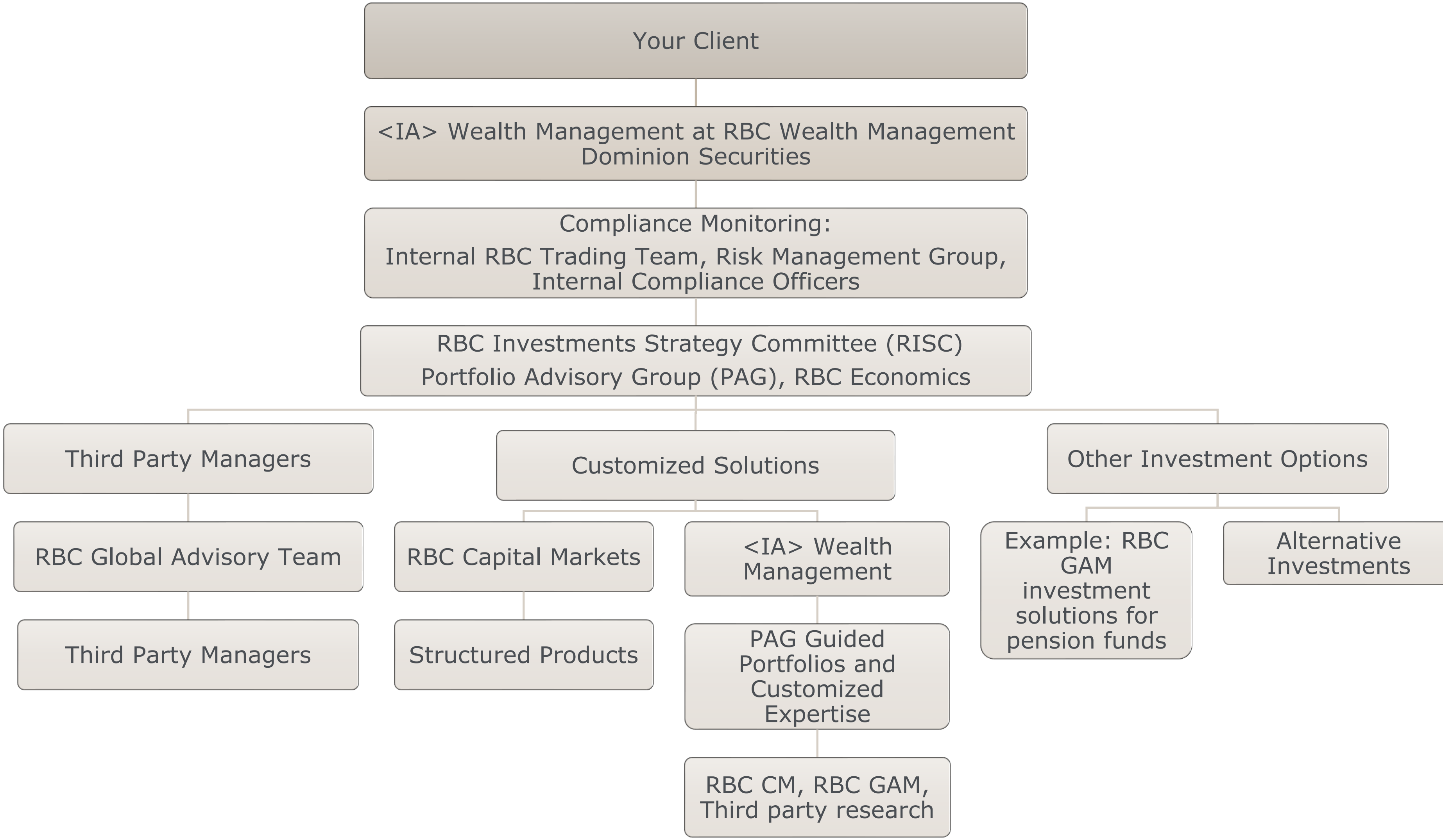
Portfolio Customization

Sample Portfolio Structure



OUR INVESTMENT APPROACH

Organization Flow Chart



Investment Strategy for 3rd Party Management

Rigorous oversight and due diligence

- Continuous evaluation of managers
- Automatic rebalancing of portfolio back to IPS targets

Multi asset, multi style, multi manager

- No one manager does everything well
- Diversify manager risk

World Class Money Managers

- 52 Industry Leading Boutique Investment Managers
- We hire specialists not generalists

Active Manager List

- AGF Investments
- Aristotle Capital Management
- Beutel Goodman & Co.
- Brandes Investment Partners
- Brown Advisory LLC
- CS McKee
- Cambiar Investments
- Calamos Asset Management (Closed)
- Capital International
- Connor Clark & Lunn (Closed)
- Delaware Investments
- Earnest Investment Partners
- Eaton Vance
- Epoch Investment Partners
- Federated Investment Management
- Foyston, Gordon & Payne
- Forstrong Global Asset Management
- Franklin Bissett Investment Management
- Franklin Templeton Investments
- Gannett Welsh & Kotler
- Great Lakes (SMA Only)
- Greystone Managed Investments
- Guardian Capital
- Harding Loevenor
- Herdon Capital Management
- Invesco Advisers
- Jarislowsky Fraser
- Kayne Anderson Rudnick
- Kempen Capital Management
- Kovitz Investment Group LLC
- Logan Capital Management
- Lorica Investment Management
- Madison Investment Advisors
- Mawer Investment Management (Closed)
- MFS Institutional Advisors (Closed)
- Montag & Caldwell Investment Counsel
- NorthRoad Capital Management
- Penn Capital Management
- Poplar Forest
- RBC Dominion Securities
- RBC Global Asset Management
- Reaves Asset Management
- Riverfront Investment Group
- Sage Advisory
- Saratoga Research & Investment Management
- Scheer, Rowlett & Associates
- Sionna Investment Managers
- Sovereign Asset Management
- Walter Scott and Partners
- Wedgewood

Our Customization Capabilities

A leading global wealth and asset manager

- Top 5 global asset manager by assets
- Expanding global solutions and capabilities
- Ranked #1 in Canada in both retail asset management and high net worth market share
- Investment, trust, banking, credit and other wealth management and asset management solutions

Relationship with RBC Capital Markets

- Top-ranked research team with 318 analysts and associates across the globe and 1,775 equities under coverage, including 947 U.S. equities.
- Sector expertise offered in economics, emerging markets, portfolio and quantitative strategy, currencies, credit, and equities across a wide range of industries and market caps

CUSTOM PORTFOLIOS

Investment Selection Process

Portfolio Advisory Group
- Focus on businesses with long track record of compounding shareholder wealth

RBC Global Asset Management
- Access to one of the largest asset managers globally

Third Party Research
- Access to the largest number of 3rd party managers in Canada and US

RBC Capital Markets
- Access to top ranked analysts in their fields

Your Portfolio

Independent Research
- Analysis of financials
- Meetings with company management

Better Outcomes

Benefits of Partnering with RBC DS:

- **Alignment with advisor/client:** RBC WM's structure ensures this
- **A strong partner**: RBC Capital Markets is a market leader

Thinking About the Fixed Income Investment Landscape:

1. **Opportunities: Enhance Yield by Putting Money to Work:**
   - **Short & Intermediate-Term Bonds:** Out-earn cash by 100-200 bps
   - **Ideas Built into Customize a Solution:** Bonds trading below par and preferred shares

2. **Risks: Don't Take a Lot More Risk for a Little More Return:**
   - **Longer-Term Bonds:** Minimal compensation to extend term in bonds

RBC's Wealth Management Business Model Aligns Our Interest with Yours

Unlike many of RBC's competitors, the RBC DS Bond Desk acts as a cost centre

- Advisors are provided with wholesale pricing (not a market-making business)
- Desk reports to RBC Wealth Management, but is one of RBC Capital Market's largest clients
- Team of equity and fixed income portfolio advisors providing portfolio construction guidance and relative value opinions
- Access to RBC Capital Markets' inventory and capabilities

	RBC	BMO	CIBC	TD	Scotiabank	NATIONAL BANK
Business Reporting	**Retail**	**Retail**	**Capital Markets**	**Capital Markets**	**Retail**	**Capital Markets**
Trade Own Inventory	No	Yes	Yes	No	No	Yes

Source: Bloomberg, RBC WM

Our Partner in Capital Markets: A Leader in Canada

#1 position in the Canadian corporate league table for 18 consecutive years

- From 2011 - 2016, RBC has led over half of corporate new issues
- RBC continues to be the dealer of choice across the fixed income product suite utilizing unchallenged market intelligence, leading execution capabilities and a top-ranked sales and trading platform
- Unparalleled expertise in investment grade new issue execution, high yield, commercial paper market, liability management, ratings advisory, program setup, structuring and securitization
- Multi-currency and multi-product approach that leverages established uniquely global fixed income capabilities

#1

Bloomberg	#1 by Market Share (2016)[2]
Thomson Reuters	#1 by Market Share (2016)[2]
dealogic	#1 by Market Share (2016)[2]

Canadian Corporate League Table: 2011 – 2016[1]

Rank	Dealer	Amount (C$MM)	Issues	Market Share (%)
1	RBC Capital Markets	84,180	554	27.8%
2	TD Securities	52,092	378	17.2%
3	CIBC	47,625	356	15.7%
4	BMO Capital Markets	44,084	331	14.6%
5	Scotiabank	37,513	280	12.4%
6	National Bank Financial Inc	13,937	114	4.6%
7	Bank of America Merrill Lynch	8,036	57	2.7%
8	HSBC	5,288	49	1.7%
9	JP Morgan	1,572	14	0.5%
10	GMP Securities	1,358	11	0.4%
	Total	302,714	1,027	

Canadian High Yield League Table: 2011 – 2016[1]

Rank	Dealer	Amount (C$MM)	Issues	Market Share (%)
1	RBC Capital Markets	4,835	41	22.6%
2	Scotiabank	4,010	38	18.7%
3	TD Securities	3,141	30	14.7%
4	BMO Capital Markets	2,335	23	10.9%
5	CIBC	1,678	14	7.8%
6	National Bank Financial Inc	1,494	11	7.0%
7	GMP Securities	1,267	8	5.9%
8	Credit Suisse	643	8	3.0%
9	Bank of America Merrill Lynch	550	6	2.6%
10	HSBC	413	3	1.9%
	Total	21,408	81	

Unparalleled Canadian fixed income platform and strong client focus

GREENWICH ASSOCIATES

2016 Survey Highlights

- ***#1 Overall Market Share*** – RBC maintains #1 overall market share
- ***Greenwich Overall Quality Index Score*** – RBC maintained the highest overall score of any firm in this category which combines sales, trading and research capabilities
- ***Sales*** – RBC's Canadian Sales team continues to be the leader as measured by the Greenwich Quality Index
- ***Trading*** – RBC remains the top ranked dealer with 34% lead over our nearest competitor in Canada

Our Partner in Capital Markets: A Strong Global Presence

An integrated fixed income & currencies platform with global origination and distribution capabilities

In Fiscal 2016, RBC was bookrunnner on over 850 bond transactions, valued at over US$860 billion for our issuing clients around the globe.

Canada 162

- 79 Sales
- 31 Trading
- 32 Origination
- 20 Research
- Canada's largest institutional and retail distribution network
  - 1,400+ Retail Advisors

Canadian Primary Dealer

United States 281

- 100 Sales
- 78 Trading
- 81 Origination
- 22 Research
- Significant institutional and retail distribution platform
  - 45 Institutional
  - 2,200+ Retail

US Primary Dealer

RBC's Global Fixed Income Platform

- 639 Professionals providing Institutional Coverage:
  - 270 Sales
  - 167 Trading
  - 147 Origination
  - 55 Research

Europe 151

- 27 Origination
- 9 Research
- 67 Sales
- 48 Trading

Gilt Edged Market Maker

Asia-Pacific 45

- 7 Origination
- 3 Research
- 24 Sales
- 11 Trading

Australian Primary Dealer

OUR SERVICES

The Vastis Advsiory Group Wealth Management at RBC Dominion Securities

Your local management team is lead by Bill Vastis

- As your relationship manager, we strive to have a full understanding of the unique needs of The Foundation
- Conduit to the full suite of investment solutions offered with RBC Financial Group
- Provide Investment Solutions that meet your unique investment needs
- IPS monitoring, oversight and governance
- Connect the trustees with leading experts and information to make sound risk and investment management decisions
- Create customized Reporting
- See further information on The Vastis Advisory Group's Full Family Office Service enclosed

Services Available to You

Clients have access to both discretionary and non-discretionary investment management of proprietary strategies. You will have access to top ranked external portfolio management carefully screened and monitored by a comprehensive research team.

In addition to our extensive Investment Management capabilities, we have the unique ability in Canada to provide our clients with *true* Wealth Management through our Comprehensive Strategic Planning Services.

Comprehensive Strategic Planning Services	Thought Leadership	Investment Management Services
• Asset Preservation & Protection • Taxation Planning • Business Succession Planning • Executive Retirement Planning • Family Legacy & Charitable Planning • Estate Planning • Cash Management & Income Protection • Risk & Liability Management • Pension Plan Reviews and Solutions • Insurance Reviews • Banking Solutions • Continuing Educational workshops and seminars	RBC Economics • Quarterly Market & Economic Forecasts, Housing Updates, Provincial Outlook RBC Global Asset Management • RISC Committee – published quarterly RBC Dominion Securities • Global Insight – published monthly RBC Wealth Management Services • RBC employees host continuing education conferences for accountants, lawyers, actuaries, etc. • Perspectives Magazine published quarterly	• Professional Money Management • Customized Investment Management Solutions • Dedicated services • Develop & Review Investment Policy Statement • Asset Allocation Consulting • Ongoing Manager Due Diligence • Portfolio Rebalancing • Consolidated Performance & Tax Reporting • Regular contact & formal meetings • Custody (Safekeeping of assets) • Transactions & Trading • Foreign Exchange Execution • Extensive Equity & Fixed Income Research

Conclusions

Flexibility:

- Ability to customize products and investment solutions that will meet your unique needs
- Actively manage asset allocation and investment styles to suit forecasted market expectations: Allowing you to position the portfolio for what is to come, not what has happened.
- Access to best in class Third Party Managers

Simplicity:

- RBC Wealth Management supporting and managing your governance and oversight
- Simplified and customized reporting on a consolidated basis
- Simplified investment meetings with Trustees based on current portfolio needs and market conditions (no more dog and pony shows)

Transparency:

- One transparent cost, no hidden or extra fees
- Transparent performance reporting

APPENDIX A

Recent Changes

The below changes to managers have been made within our platform in the past 12 months:

1. **Mawer – Watchlist**
   Mawer announced a new trading policy that is detrimental to all SMA / Model traded portfolios. This new policy not only provides all portfolios worse execution but also calls into question all past performance. We continue to monitor our client accounts closely.

2. **Jarislowsky Fraser – Watchlist**
   Purchased by Scotiabank which calls into question the long term sustainability of the firm. More importantly, Dan Hanson, Lead US Equity Portfolio Manager, announced he was leaving the firm with immediate effect. Mr. Hanson was a key member of the senior Investment Strategy Committee and played a significant role in the stability of the firm after their previous changes of management.

3. **Brandes – Watchlist Removed**
   Watchlist status removed due to the proactive and swift reaction to Charles Brandes' domestic abuse allegations. Mr. Brandes was immediately terminated from the board and is being forced to sell all shares in the company. Mr. Brandes was not involved in any of the day to day operations of the firm nor was he involved in any portfolio management decisions.

4. **Sovereign Asset Management – Removed**
   Parent company, John Hancock Asset Management, decided to discontinue the strategy with all clients.

5. **Logan - Terminated**
   Terminated from the platform due to poor research score as a result of manager turnover. Replaced Logan with a higher conviction strategy.