2ND QUARTER 2019 HIGHLIGHTS

ONE INVESTMENT

EQUITY PERFORMANCE

The positive momentum in equity markets continued into the second quarter as expectations that easing monetary policy measures will be taken by major central banks worldwide with global economic growth forecasts falling.

ONE's portfolio manager, Guardian Capital, adheres to a Growth-at-a-Reasonable Price (GARP) investment strategy, which aims to invest in high quality stocks with above average growth that trade at reasonable valuations.

During the quarter, the ONE Equity Portfolio reported a gain of 3.25%, outperforming the S&P/TSX Composite Index by 0.67%. The portfolio's outperformance was driven by sector allocation, more specifically, the portfolio's overweight position in the Technology sector and underweight position in the Energy sector.

Security selection was a detractor to the portfolio's performance during the quarter. Of note, investments in Methanex and Celestica negatively impacted the portfolio. The share price of Methanex was under pressure due to declining methanol pricing. The portfolio manager is awaiting the company's capital expenditure decision. Celestica's share price dropped as management lowered its revenue outlook due to weak customer demand and delayed product launches. Helping to offset the declines from these stocks was the solid performance from the portfolio's investments in CP Rail, Thomson Reuters, and Intact Financial, companies that are delivering strong operational results.

During the quarter, two portfolio changes were made. Guardian added Canadian Natural Resources to the portfolio based on expectations that the company's financial position will stabilize given Alberta's mandated oil production curtailments. Meanwhile, Vermilion Energy was sold from the portfolio due to future capital spending requirements and a less compelling valuation. At quarter-end, the portfolio held 36 stocks, which is at the lower end of Guardian's targeted range of between 35 and 50 stocks. The portfolio is nearly fully invested with 2.6% in cash and cash equivalents.

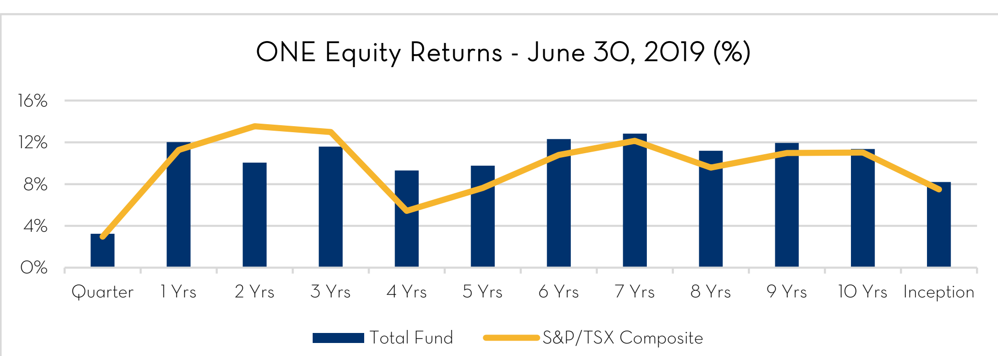
Listed below are the portfolio's Top 10 holdings, ranked in descending order. These stocks represented 48% of the total portfolio at quarter-end:

- *Gildan Activewear*
- *Loblaw Cos Ltd.*
- *Alimentation Couche-Tard*
- *Open Text Corp.*
- *Brookfield Asset Management*
- *Finning International*
- *Royal Bank of Canada*
- *TD Bank*
- *Intact Financial Corp.*
- *Canadian National Railway*

During the first half of the year, the ONE Equity Portfolio has climbed an impressive 15.54%, which is just below the 16.22% return for the S&P/TSX Composite Index.

The portfolio has a strong long-term track record. As at June 30, the 10-year return is 11.36% for the ONE Equity Portfolio, above the 7.79% return for the S&P/TSX Composite Index.

For the second half of the year, Guardia has a cautious stock market outlook due to rising geopolitical tensions, slowing global economic growth, and high global debt levels. As such, the portfolio manager anticipates equity markets will remain volatile and believes taking a defensive investment strategy is warranted to provide downside protection.



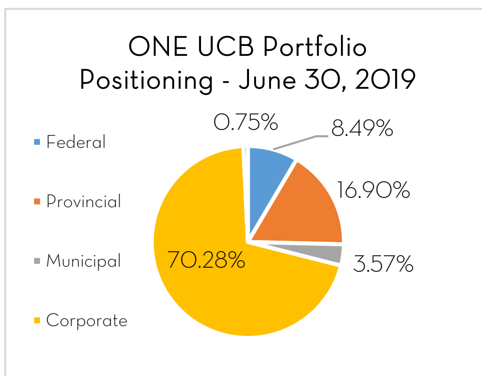
2ND QUARTER 2019 HIGHLIGHTS

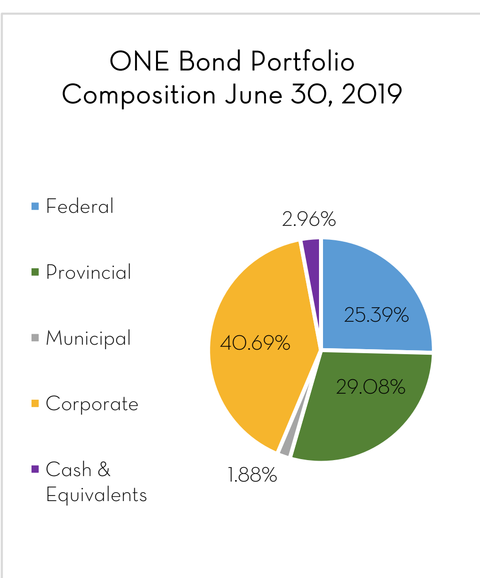
ONE INVESTMENT

Fixed Income Performance

Bond yields fell in Canada during the second quarter, leading to good total returns from the bond portfolios. Corporate and provincial yields fell even more than Federal government yields (referred to as spread tightening). The benchmark Federal government index returned 1.5% in the quarter and corporate and provincial returned significantly more.

As global economies showed signs of slowing, central bankers around the world were looking at interest rate cuts or other ways of stimulating their economies. Often when central banks reduce interest rates, they also see their currencies fall in value which stimulates their export businesses. At the same time, demand for imports also falls, which helps local businesses. While this helps the country whose currency falls, other countries that have economic struggles are adversely affected (as their currencies rise) and this can start trade wars, such as what we are currently seeing (US vs. China is the foremost example). Trade wars are generally not seen as positive for economic growth, central banks respond with more rates cuts and a destructive cycle can start. This means we should not expect interest rates to rise in the near future.





Other economic data which would lead to slowing growth and low interest rates are debt levels both for individuals and corporations. Both are at high levels which could lead to lack of demand for loans (individuals don't have as much room to borrow and corporations would be reluctant to add more capacity if their final customers slow buying).

The bond portfolios outperformed their benchmarks in the quarter, with the extra corporate bond and provincial bond weightings providing added value. Long dated bonds outperformed shorter dated bonds and a slight positioning to longer bonds added value in the second quarter.

Portfolios are positioned in a neutral to slightly long position versus the benchmark for duration (therefore the portfolio will respond to general interest rate movements slightly more than the benchmark). Portfolio quality remains high, although some of the benchmark allocation to Federal government bonds has been given to provincial bonds and high quality corporates to provide added yield. Overall quality is close to the benchmark.