1ST QUARTER 2018 HIGHLIGHTS

One Investment

EQUITY PERFORMANCE

It was a challenging and volatile start to 2018 with major Canadian equity markets reporting losses during the first quarter. The weakness in the markets was widespread with only two of the 11 sectors in the S&P/TSX Composite Index - technology and real estate - realizing gains during the quarter. The One Equity Portfolio declined 3.85%, underperforming the benchmark, which was down 2.93%. However, the One Equity Portfolio outperformed both the broader index, the S&P/TSX composite index, and the large cap index, the S&P/TSX 60 index, that reported losses of 4.5% and 4.6%, respectively.

From a longer-term perspective, the One Equity Portfolio's returns have been positive. Furthermore, the One Equity Portfolio has outperformed its benchmark when looking at its returns from year three through to year 10. For instance, the three-year return for the One Equity Portfolio for the period ending March 31, 2018 was 5.94% compared to the benchmark's return of 0.64%.

Similar long-term out-performance of the One Equity Portfolio is seen in comparison to the S&P/TSX Composite Index. The One Equity Portfolio outperformed the broader index for the one-year period ending March 31, 2018, as well as from the third-year period though to the 10-year period. To illustrate, the One Equity Portfolio delivered a gain of 7.92% over the past 10-years as of March 31, 2018, while the S&P/TSX Composite Index advanced 4.47% during this same period.

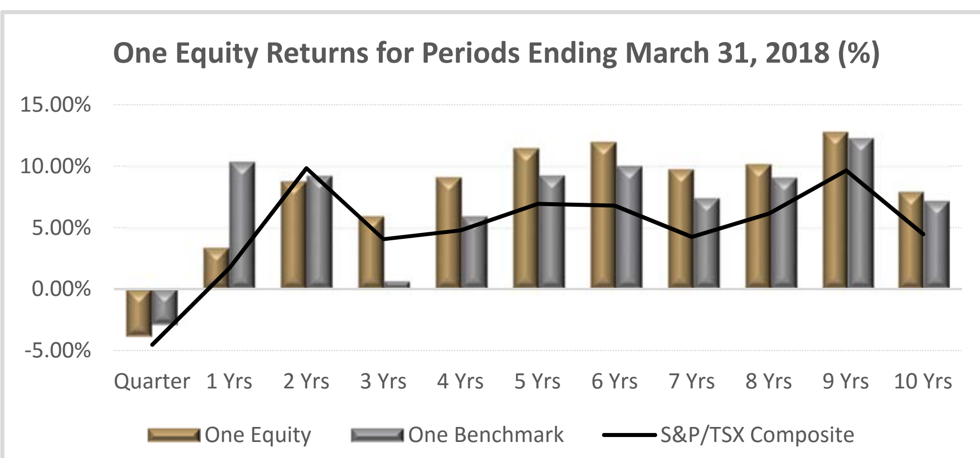
The portfolio's assets under administration continues to increase, rising to $295-million as at March 31, 2018, up from $289 million reported at the end of 2017 and $263 million reported at the end of 2016.

The portfolio's holdings are relatively stable. During the first quarter, the portfolio manager reduced the number of stocks held in the portfolio to 39 from 40, eliminating the investment in Brookfield Infrastructure Partners. The number of securities currently held in the Portfolio is within the portfolio manager's targeted range of between 35 and 50 stocks.

The following Top 10 holdings in the One Equity Portfolio represented 46% of the total portfolio:

- CGI Group
- Alimentation Couche-Tard
- Open Text
- Gildan Activewear
- Canadian National Railway
- Brookfield Asset Management
- TD Bank
- Royal Bank of Canada
- Finning International
- Thomson Reuters

This quarter, the only change to these holdings saw George Weston replaced by Brookfield Asset Management. At quarter-end, the portfolio was nearly fully invested with less than 3% in cash and cash equivalents.

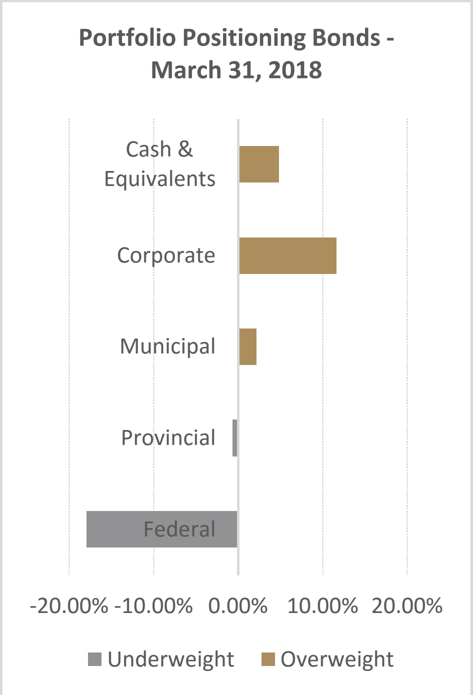


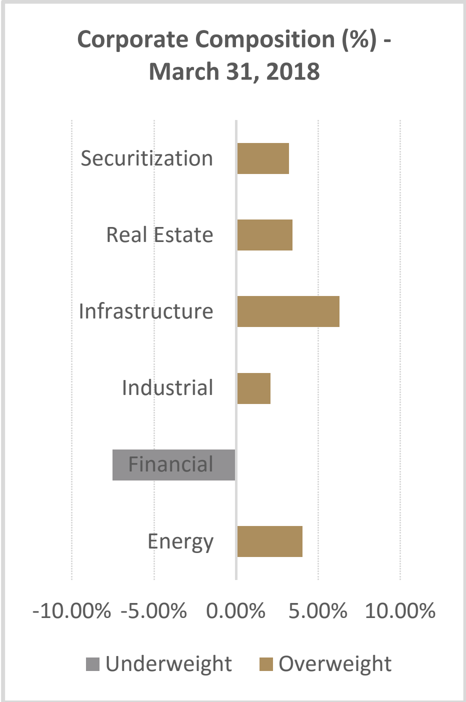
1ST QUARTER 2018 HIGHLIGHTS

One Investment

FIXED INCOME PERFORMANCE

The shorter duration of the One Bond portfolio versus the UCB means that interest rate increases have less of an impact on the bond portfolio's value. The greater overweight of corporate bonds versus federal government bonds means that the portfolio has a greater yield carry than the benchmark and this offsets the deleterious effects of spread widening (which hurts the performance of corporate versus federal government bonds).





Overall performance of the UCB and versus the benchmark was fairly flat for the quarter. While the Bank of Canada raised short term rates by 25 bps., the overall rate curve moved only slightly higher. With some turbulence in world economies, credit spreads moved slightly wider. The widening of spreads and slight increase in yields offset most of the coupon interest earned, resulting in a slight positive overall performance for the quarter.

Portfolio positioning remains with an overweight to corporate versus federal government bonds, reflecting a positive view of the economic outlook. That said, the market may have priced in too much in the way of rate increases, so the portfolio has a duration greater than that of the benchmark. This will be of benefit if rates increase at a slower pace than expected.