

This document contains key information you should know about Phillips, Hager & North High Yield Bond Fund (Series C). You can find more detailed information in the fund's simplified prospectus. Ask your advisor for a copy, contact Phillips, Hager & North Investment Management®, a division of RBC Global Asset Management Inc. (RBC GAM) at 1-800-661-6141, info@phn.com or visit www.rbcgam.com/investorinfo.

Quick facts

Date fund created (Series C):	November 30, 2008	Portfolio manager:	RBC Global Asset Management Inc.
Total value on May 31, 2013:	\$3,326.9 Million	Distributions:	Quarterly in March, June, September and December
Management expense ratio (MER):	1.43%	Minimum investment:	\$500 initial, \$25 additional investment

What does the fund invest in?

The fund invests primarily in fixed income securities issued by Canadian and/or foreign corporations and governments.

The charts below give you a snapshot of the fund's investments on May 31, 2013. The fund's investments will change.

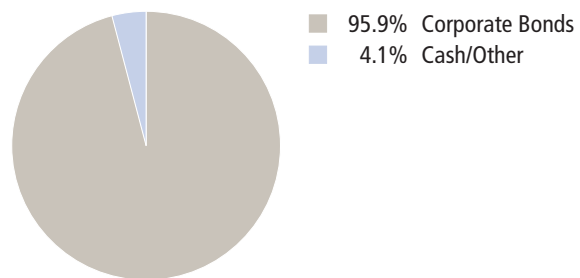
Top 10 investments (May 31, 2013)

1. Quebecor Media Inc. 6.625% Jan 15 23
2. Citigroup Inc. CAD 5.160% May 24 27
3. Citigroup Inc. CAD 4.650% Oct 11 22
4. Merrill Lynch & Co. Inc. CAD 5.290% May 30 22
5. CCO Holdings LLC 7.000% Jan 15 19
6. Cash & Cash Equivalents
7. Harvest Operations Corp., Convertible 7.500% May 31 15
8. Hawk Acquisition Sub Inc. 4.250% Oct 15 20
9. CCO Holdings LLC 7.375% Jun 1 20
10. Host Hotels & Resorts LP 6.750% Jun 1 16

Total Investments: 87

The top 10 investments make up 39% of the fund.

Investment mix (May 31, 2013)



How has the fund performed?

This section tells you how the fund has performed since the date it was created. Returns are after expenses have been deducted. These expenses reduce the fund's returns.

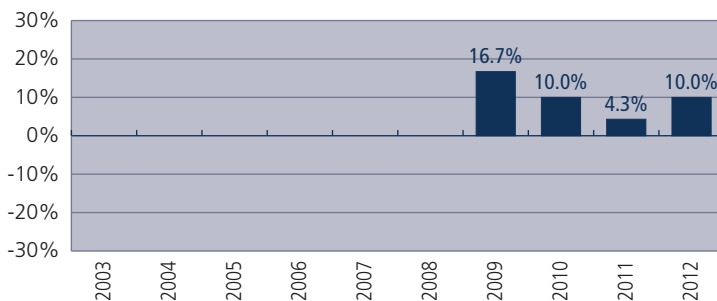
It's important to note that this doesn't tell you how the fund will perform in the future. Also, your actual after-tax return will depend on your personal tax situation.

Average return

A person who invested \$1,000 in the fund since the date the fund was created now has \$1,574. This works out to an annual compound return of 10.6%.

Year-by-year returns

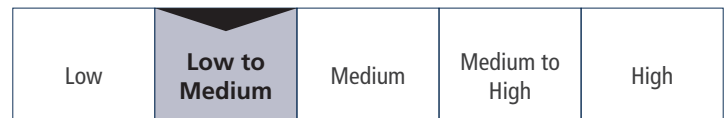
This chart shows how the fund has performed in each of the past four years. The fund dropped in value in none of the four years.



How risky is it?

When you invest in a fund, the value of your investment can go down as well as up. RBC GAM has rated this fund's risk as low to medium.

For a description of the specific risks of this fund, see the fund's simplified prospectus.



Are there any guarantees?

Like most mutual funds, this fund doesn't have any guarantees. You may not get back the amount of money you invest.

Who is this fund for?

Investors who:

- are seeking high levels of current interest income and the potential for capital appreciation
- are planning to hold their investment for the medium-to-long term

Before you invest in any fund, you should consider how it would work with your other investments and your tolerance for risk.

A word about tax

Depending on the tax rules and tax rates that apply to you and the fund, you may have to pay tax on your share of the fund's earnings and gains, whether paid out to you or reinvested in the fund. Also, you may have to pay tax on any gain you realize when you redeem or sell your investment in the fund.

If you hold your investment in a registered account such as a Registered Retirement Savings Plan or a Tax-Free Savings Account, generally you will not have to pay tax on earnings or gains that are held in the registered account; however, tax may be payable when money is withdrawn from the registered account (other than from a Tax-Free Savings Account).

How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and redeem Series C units of the fund.

The fund has other series of units. The fees and expenses are different for each series. Ask about other series that may be suitable for you.

1. Sales charges

Series C units are no load. That means you pay no sales charges if you buy, redeem or switch your units. The fund may charge a short-term trading fee as described below.

2. Fund expenses

You don't pay these expenses directly. They affect you because they reduce the fund's returns.

As of December 31, 2012, the fund's expenses were 1.43% of its value. This equals \$14.30 for every \$1,000 invested.

	Annual rate (as a % of the fund's value)
Management expense ratio (MER) This is the total of the fund's management fee and operating expenses.	1.43%
Trading expense ratio (TER) These are the fund's trading costs.	0.00%
Fund expenses	1.43%

Trailing commission

RBC GAM pays your advisor's firm a trailing commission for as long as you own the fund. It is for the services and advice your advisor's firm provides to you. Your advisor's firm may pay part of the trailing commission to its representatives.

The trailing commission is paid out of the management fee. The rate for this series of the fund is 0.50% of the value of your investment each year. This equals \$5.00 each year for every \$1,000 invested.

3. Other fees

You may have to pay other fees when you redeem, switch or reclassify units of the fund.

Fee	What you pay
Short-term trading fee	Up to 2% of the value of units you redeem or switch within 7 days of buying them. This fee goes to the fund.
Switch and reclassification fees	Your advisor may charge you up to 2% of the value of units that you switch to another fund or that you reclassify from one series to another series of the same fund. There is no fee payable to RBC GAM for any switches or reclassifications of units.

What if I change my mind?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual fund shares or units within two business days after you receive a simplified prospectus, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, annual information form or financial statements contain a misrepresentation. You must act within the time limit set by the securities law in your province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

For more information

Contact Phillips, Hager & North Investment Management, a division of RBC Global Asset Management Inc., or your advisor for a copy of the fund's simplified prospectus and other disclosure documents. These documents and the Fund Facts make up the fund's legal documents.

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