

PH&N Balanced Fund



Investment objective

To provide long-term capital growth and income by investing primarily in a well-diversified, balanced portfolio of Canadian common stocks, bonds and money market securities. This fund also holds a portion of its assets in foreign common stock.

Fund details

| Series | Load structure | Currency | Fund code |
|--------|----------------|----------|-----------|
| D | No load | CAD | RBF1350 |

| | |
|-------------------------------|----------------|
| Inception date | September 1991 |
| Total fund assets \$MM | 1,203.8 |
| Series D NAV \$ | 22.67 |
| Series D MER % | 0.88 |

| | |
|-----------------------------------|---------------------------|
| Income distribution | Quarterly |
| Capital gains distribution | Annually |
| Sales status | Open |
| Minimum investment \$ | 500 |
| Subsequent investment \$ | 25 |
| Risk rating | Low to medium |
| Fund category | Global Equity Balanced |

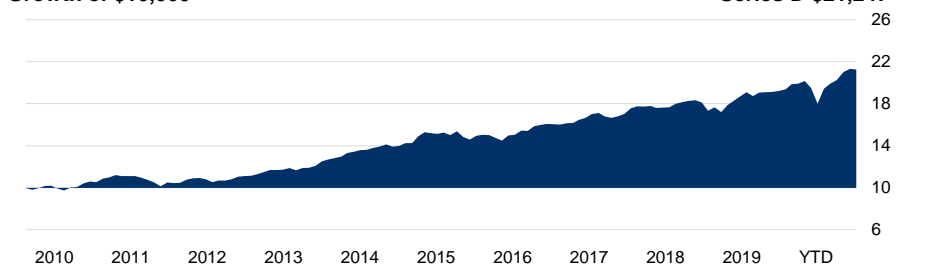
Benchmark

| | |
|-----|--|
| 39% | FTSE Canada Universe Bond Index |
| 36% | MSCI World Total Return Net Index (CAD) |
| 20% | S&P/TSX Capped Composite Total Return Index |
| 4% | MSCI Emerging Markets Total Return Net Index (CAD) |
| 1% | FTSE Canada 30 Day TBill Index |

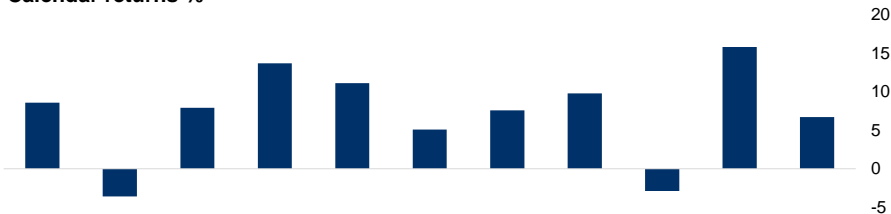
Performance analysis for Series D as of September 30, 2020

Growth of \$10,000

Series D \$21,247



Calendar returns %



| 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | YTD | |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------|
| 8.6 | -3.6 | 7.9 | 13.7 | 11.1 | 5.1 | 7.6 | 9.8 | -2.9 | 15.8 | 6.7 | Fund |
| 3 rd | 3 rd | 1 st | 1 st | 1 st | 1 st | 2 nd | 1 st | 1 st | 1 st | 1 st | Quartile |

| 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since incep. | Trailing return % |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|------------------------|
| -0.3 | 4.9 | 18.0 | 10.6 | 7.7 | 7.8 | 7.4 | 7.2 | Fund |
| 2 nd | 2 nd | 2 nd | 1 st | 1 st | 1 st | 2 nd | — | Quartile |
| 1,239 | 1,223 | 1,220 | 1,206 | 1,001 | 750 | 310 | — | # of funds in category |

Portfolio analysis as of September 30, 2020

Asset mix



% Assets

| | |
|-----------------------------|------|
| ● Cash | 1.5 |
| ● Fixed income | 34.2 |
| ● Canadian equities | 20.3 |
| ● U.S. equities | 23.9 |
| ● European equities | 9.7 |
| ● Asia-Pacific equities | 3.2 |
| ● Emerging markets equities | 5.0 |
| ● Real estate | 2.2 |

Equity style

| | | | |
|-------|----|----|----|
| Large | 13 | 38 | 24 |
| Mid | 4 | 9 | 7 |
| Small | 1 | 2 | 3 |

Value Blend Growth

Weight %

- > 50
- 25-50
- 10-25
- 0-10

Equity characteristics

| | |
|---|-------|
| Dividend yield (%) | 1.9 |
| Price to earnings ratio (forward) | 21.4 |
| Price to book ratio | 2.4 |
| Weighted average market capitalization (\$Bn) | 262.0 |

Portfolio analysis continued as of September 30, 2020

| Top 25 holdings | % Assets | Equity sector allocation | % | Fixed income characteristics | |
|--|-------------|--------------------------|------|----------------------------------|------|
| RBC Global Equity Focus Fund - Series O | 28.8 | Financials | 19.7 | Yield to maturity (%) | 1.8 |
| Phillips, Hager & North Bond Fund - Series O | 26.5 | Information Technology | 14.6 | Current yield (%) | 3.0 |
| Phillips, Hager & North Canadian Equity Underlying Fund - Series O | 15.5 | Industrials | 13.3 | Duration (years) | 7.8 |
| RBC QUBE Global Equity Fund - Series O | 9.6 | Consumer Discretionary | 10.8 | Average term to maturity (years) | 10.2 |
| RBC Global Bond Fund - Series O | 4.2 | Health Care | 10.3 | Average credit rating | A |
| RBC Emerging Markets Equity Fund - Series O | 4.1 | Materials | 7.5 | | |
| Phillips, Hager & North High Yield Bond Fund - Series O | 3.6 | Consumer Staples | 6.3 | | |
| Phillips, Hager & North Canadian Equity Value Fund - Series O | 2.5 | Communication Services | 5.8 | | |
| RBC Canadian Core Real Estate Fund - Series N | 2.2 | Energy | 5.0 | | |
| Phillips, Hager & North Small Float Fund - Series O | 2.2 | Utilities | 4.8 | | |
| Phillips, Hager & North Canadian Money Market Fund - Series O | 0.4 | Real Estate | 1.8 | | |
| Total % of top 25 holdings | 99.6 | | | | |

| Fixed income breakdown | | % |
|-------------------------------|--|------|
| Government Bonds | | 39.4 |
| Corporate Bonds | | 46.1 |
| Other Bonds | | 6.5 |
| Mortgage Backed Securities | | 0.1 |
| ST Investments (Cash & Other) | | 7.9 |
| Asset Backed Securities | | 0.0 |

| Distributions (\$)/unit* | YTD | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Interest | — | 0.05 | 0.06 | 0.06 | 0.08 | 0.08 | 0.09 | 0.14 | 0.14 | 0.14 | 0.36 |
| Canadian dividends | — | 0.13 | 0.18 | 0.15 | 0.16 | 0.18 | 0.17 | 0.10 | 0.15 | 0.16 | 0.04 |
| Foreign dividends | — | 0.16 | 0.12 | 0.13 | 0.13 | 0.13 | 0.09 | 0.14 | 0.13 | 0.14 | — |
| Foreign taxes paid | — | -0.02 | -0.01 | -0.01 | -0.01 | -0.01 | — | -0.02 | -0.02 | -0.02 | — |
| Capital gains | — | 0.55 | 0.37 | 0.35 | 0.26 | 0.64 | 1.93 | — | 0.05 | 0.24 | 0.06 |
| Return of capital | — | — | — | — | — | — | — | — | — | — | — |
| Total distributions | 0.04 | 0.88 | 0.71 | 0.68 | 0.62 | 1.01 | 2.28 | 0.36 | 0.46 | 0.66 | 0.46 |

*Income type characterization and foreign taxes paid are reported at or around January month-end.

Manager bios

Sarah Riopelle, RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions at RBC GAM. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's entire suite of RBC Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charterholder.

Disclosure

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

Growth of \$10K chart shown represents a hypothetical investment of the Fund over the last 10 years, or from the last day of the since inception month for funds with less than 10 years performance history.

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