



# PH&N Monthly Income Class

## Investment Objective

To provide a relatively high level of income with the potential for modest capital growth. The fund invests its assets primarily in a well-diversified balanced portfolio of income-producing equity securities, including common shares of Canadian companies that pay dividends and units of income trusts that pay distributions, and fixed income securities such as preferred shares, government and corporate bonds, debentures and notes, either directly or indirectly through an investment in one or more other mutual funds managed by RBC GAM or an affiliate.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF3016
Adv	Front End	CAD	RBF3216
Adv	Low Load	CAD	RBF3416
Adv T5	Front End	CAD	RBF3286
Adv T5	Low Load	CAD	RBF3486
T5	No Load	CAD	RBF3316
H	No Load	CAD	RBF3816

Inception Date	October 2012
Total Fund Assets \$Mil	84.8
Series A NAV \$	11.95
Series A MER %	1.95
Benchmark	50% S&P/TSX Capped Composite Total Return 35% FTSE CUB 10% ICE BofA Merrill Lynch Canadian High Yield 5% S&P/TSX Preferred Share Total Return

Income Distribution	Annually
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
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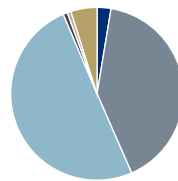
Web Site	www.rbcgam.com
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## Notes

Distribution is paid monthly for the Advisor T5 and T5 series.

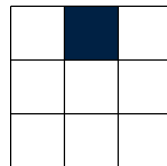
## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	2.6
Fixed Income	40.9
Canadian Equity	50.2
US Equity	0.8
International Equity	0.7
Other	4.9

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	1.8
P/E Ratio	14.8
Avg. Mkt Cap. \$B	38.8

### Top 5 Sectors

	% Equity
Financials	40.6
Energy	18.0
Industrials	12.1
Communication Services	7.2
Materials	6.1

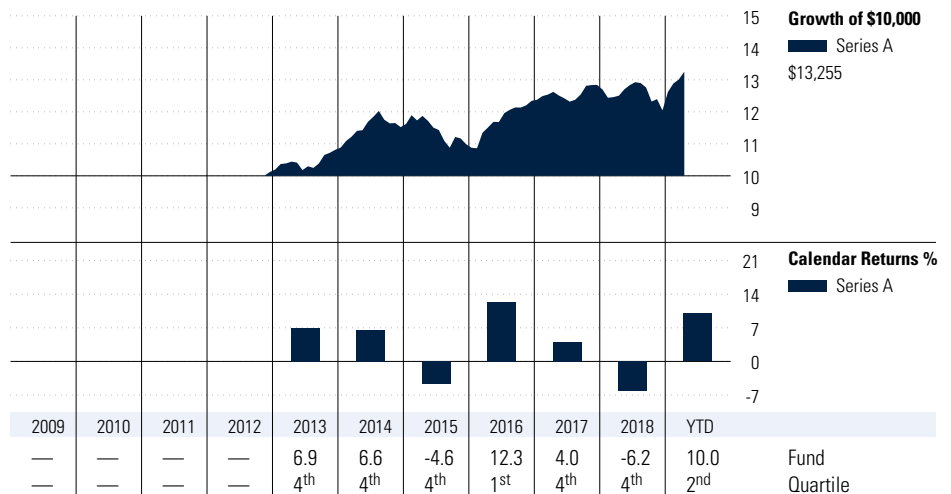
### Fixed Income Breakdown

	% Fixed Income
Government Bonds	48.2
Corporate Bonds	44.9
Other Bonds	0.7
Mortgage Backed Securities	0.2
ST Investments (Cash & Other)	5.9
Asset Backed Securities	0.0

### Top 10 Holdings

	% Assets
Royal Bank of Canada	4.4
The Toronto-Dominion Bank	4.3
Enbridge Inc	2.9
Bank of Nova Scotia	2.4
Bank of Montreal	2.1
Canadian National Railway Co	2.1
Brookfield Asset Mgmt Inc Cl A	1.9
Manulife Financial Corp	1.7
TransCanada Corp	1.5
Sun Life Financial Inc	1.4
Total % of Top 10 Holdings	24.7
Total Number of Stock Holdings	65
Total Number of Bond Holdings	1,734
Total Number of Other Holdings	90
<b>Total Number of Holdings</b>	<b>1,889</b>

## Performance Analysis as of April 30, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	1.9	5.0	7.6	6.0	4.8	3.1	—	4.5	Fund
	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	—	—	Quartile
	682	682	672	644	574	434	163	—	No. of Funds in Category



# PH&N Monthly Income Class

## Management Overview

### Manager Bios

#### Scott Lysakowski

#### Phillips, Hager & North Investment Management

Scott is the Head of Canadian Equities for PH&N Investment Management and Senior Portfolio Manager on the team's core Canadian equity strategies. He joined the firm in 2002, where he was a senior research analyst and portfolio manager with the Toronto-based Canadian equity team before moving to Vancouver to join the PH&N IM team in 2009. Prior to being named Head in 2018, Scott was Co-Head of the team since 2012. Scott is a CFA charterholder.

#### PH&N Fixed Income Team

With one of the largest bond desks in Canada consisting of over 30 investment professionals, Phillips, Hager & North Investment Management (PH&N IM) has been managing bonds since 1970 and currently manages fixed income portfolios according to strict quality and diversification guidelines. PH&N IM's strengths as a bond manager are directly related to its depth of resources – both people and technology – dedicated to the management of fixed income portfolios.

### Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.03	0.48	0.20	0.27	0.13	0.12	0.01	—	—	—	—
Interest	—	—	—	—	—	0.00	—	—	—	—	—
Dividends	0.03	0.07	0.20	0.27	0.13	0.12	0.01	—	—	—	—
Capital Gains	—	0.42	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	17.4	2-2019	5.9	10-2017	5.2	—	—
Worst	2-2016	-8.7	8-2017	1.0	12-2018	2.2	—	—
Average		4.1		3.6		3.9		—
No. of Periods		67		43		19		—
Pct. Positive		71.6		100.0		100.0		—

\* Distributions are characterized into income type at year-end.

### Quarterly Commentary as at March 31, 2019

The fund posted strong returns over the quarter, driven by performance of the fund's fixed income component as well as strong absolute returns in the equity portion of the fund. Performance was largely driven by falling bond yields throughout the beginning of 2019, which created broader support for the bond market. The fund has been positioned to benefit from the expectations of higher bond yields for majority of the past year, which limited the potential upside on performance. However, over the most recent quarter, bond yields fell substantially as the Bank of Canada's tone turned increasingly accommodating.

On the corporate side, we continue to position the fund with a focus on higher-quality and less-cyclical issuers given our view that we are in the later stages of the credit cycle.

In the equity portion of the fund, the Materials sector was the largest contributor to relative performance, with our underweight position in Barrick Gold contributing the most to performance.

Within energy, the fund benefited from the fund's position in pipelines, namely Keyera. The sector lagged for much of 2018, but forced production cuts by the Alberta government in late 2018 have had a positive effect, narrowing the Canadian oil price differential.

Element Fleet Management was also a significant contributor. After experiencing integration challenges related to an acquisition in early 2018, the company has successfully executed the first half of its strategic transformation plan ahead of schedule.

At the other end of the spectrum, SNC Lavalin was the largest detractor from performance. While the ongoing political issue has kept the company in the media spotlight and hurt its standing among investors, the company's share price had been on a downward path before the political news broke.



## PH&N Monthly Income Class

### Disclosure

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

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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.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

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.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of April 30, 2019.

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