

PH&N Dividend Income Fund

Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified portfolio of dividend income-producing Canadian securities that have a relatively high yield.

Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5150

Inception Date	June 2007
Total Fund Assets \$Mil	2,511.6
Series F NAV \$	103.35
Series F MER %	0.76
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

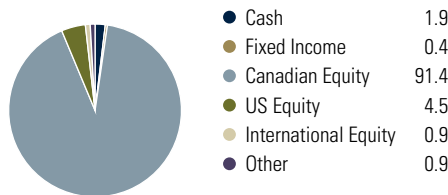
Fund Category	Canadian Dividend and Income Equity
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Management Company	RBC Global Asset Management Inc.
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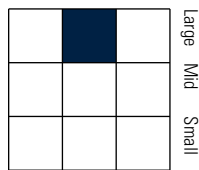
Web Site	www.rbcgam.com
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Portfolio Analysis as of August 31, 2017

Asset Mix



Equity Style



Value Blend Growth

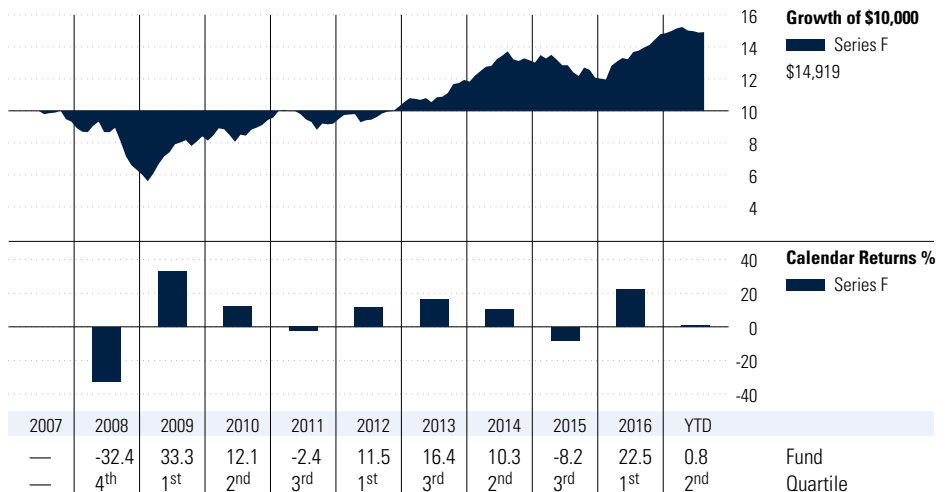
Global Equity Sectors

Sector	% Equity
Financials	44.3
Energy	19.5
Industrials	8.7
Telecommunication Services	5.4
Materials	4.9
Utilities	4.7
Consumer Discretionary	4.4
Consumer Staples	4.1
Real Estate	2.9
Information Technology	0.7
Health Care	0.3
Unclassified	0.0

Top 10 Holdings

Company	% Assets
Royal Bank of Canada	8.5
The Toronto-Dominion Bank	7.4
Bank of Nova Scotia	6.0
Canadian National Railway Co	4.7
Enbridge Inc	4.3
Bank of Montreal	3.7
Brookfield Asset Management Inc Class A	3.6
Suncor Energy Inc	3.2
Manulife Financial Corp	3.2
TransCanada Corp	3.1
Total % of Top 10 Holdings	47.6
Total Number of Stock Holdings	74
Total Number of Bond Holdings	1
Total Number of Other Holdings	4
Total Number of Holdings	79

Performance Analysis as of August 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.2	-0.7	-0.5	8.4	2.8	9.2	4.2	4.0	Fund
2 nd	2 nd	3 rd	2 nd	2 nd	2 nd	3 rd	—	Quartile
586	583	566	556	425	318	152	—	No. of Funds in Category

PH&N Dividend Income Fund

Management Overview

Manager Bios

Warner Sulz

RBC Global Asset Management Inc.

Warner Sulz is Vice President and Senior Portfolio Manager, Canadian Equities. He has been in the investment industry since 1986.

Performance Analysis Cont'd as of August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	1.28	2.52	2.46	2.48	1.95	2.81	2.67	1.48	1.67	1.32	3.68
Interest	1.28	—	—	—	1.95	—	—	1.48	—	—	0.93
Dividends	—	2.52	2.46	2.17	—	1.60	1.21	—	1.67	1.32	1.56
Capital Gains	—	—	—	0.31	—	1.21	1.46	—	—	—	1.19
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	51.0	2-2012	20.3	2-2014	16.9	7-2017	4.3
Worst	2-2009	-35.6	6-2010	-6.9	6-2012	-1.2	6-2017	4.1
Average		6.2		7.5		7.9		4.2
No. of Periods		111		87		63		3
Pct. Positive		68.5		93.1		92.1		100.0

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

Quarterly Commentary as at June 30, 2017

The Fund's performance in the second quarter was driven by holdings such as Brookfield Infrastructure Partners (BIP), Canadian National Railway (CNR), and Pure Industrial REIT.

We remain confident in BIP's ability to deploy capital. The company recently participated in the acquisition of NTS, a natural gas transmission system in Brazil. This deal significantly expands BIP's utilities platform. The company has a number of pending transactions and a capital project backlog of over \$2.3 billion. BIP indicated that returns on the backlog could be in the mid- to high-teens, an attractive prospect. With this clear path for multi-year free cash flow growth, we expect continued strong dividend growth.

Canadian National Railway continues to exhibit above-average growth that shows little sign of abating. Volumes have been strong on the back of its market share growth in various segments, an indication that the company's customer-centric approach is working. Management has communicated a highly visible path to solid revenue growth and productivity improvement by

leveraging its technology investments. Lastly, the balance sheet remains solid, leaving room for possible dividend increases and share buybacks.

Pure Industrial REIT has maintained its steady performance, a reflection of its superior growth profile, solid balance sheet and continued focus on upgrading its portfolio quality. E-commerce and logistics demand should provide ongoing support for industrial real estate fundamentals as industrial cap rates are expected to continue trending down. Management's moves will position the REIT to be nimble through the cycle.

During the quarter, we added SNC-Lavalin, Trisura (a spin-off from Brookfield Asset Management), and WPT Industrial REIT. We also raised our weight positioning in a number of stocks, including Alimentation Couche-Tard, Cardinal Energy, and Parkland Fuel. We reduced our weightings in various stocks, including ATCO, Franco-Nevada, and Magna. Our position in Milestone Apartments REIT was eliminated due to its acquisition by Starwood Capital Group.

PH&N Dividend Income Fund

Disclosure

RBC Funds, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

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 fund securities are not guaranteed or covered by the Canada 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 and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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 July 31, 2017.

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