

# 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	2,605.3
Series F NAV \$	106.21
Series F MER %	0.84
Series F Adjusted 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

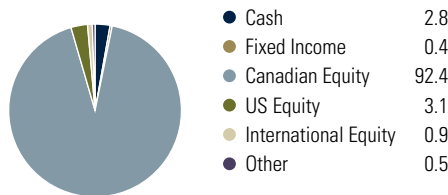
Fund Category	Canadian Dividend and Income Equity
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Management Company	RBC Global Asset Management Inc.
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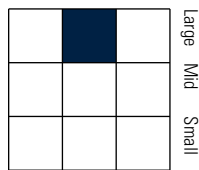
Web Site	www.rbcgam.com
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## Portfolio Analysis as of April 30, 2017

### Asset Mix



### Equity Style



Value Blend Growth

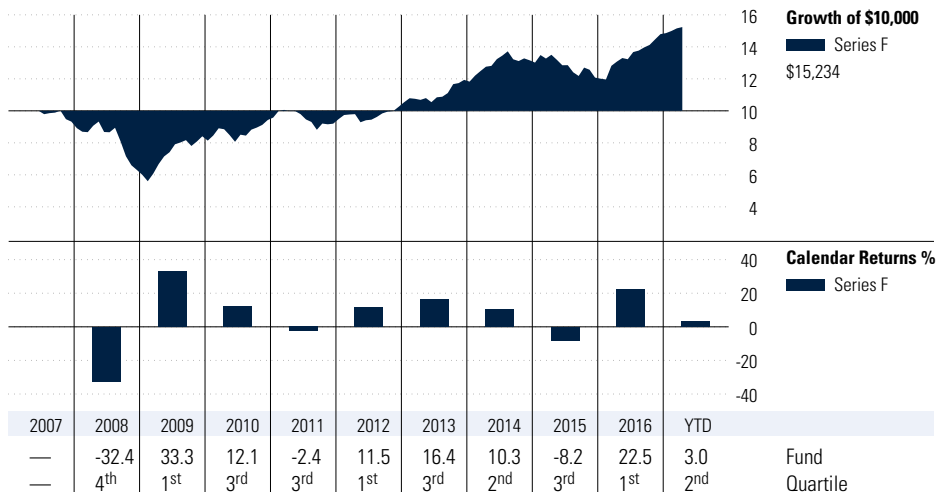
### Global Equity Sectors

Sector	% Equity
Financials	42.9
Energy	20.6
Industrials	8.3
Telecommunication Services	5.3
Materials	5.2
Utilities	4.8
Consumer Discretionary	4.8
Consumer Staples	4.2
Real Estate	2.8
Information Technology	0.8
Health Care	0.3
Unclassified	0.0

### Top 10 Holdings

Company	% Assets
Royal Bank of Canada	8.3
The Toronto-Dominion Bank	6.8
Bank of Nova Scotia	5.6
Enbridge Inc	4.7
Canadian National Railway Co	4.6
Bank of Montreal	3.8
Brookfield Asset Management Inc Class A	3.6
Suncor Energy Inc	3.4
Manulife Financial Corp	3.0
TransCanada Corp	2.9
Total % of Top 10 Holdings	46.8
Total Number of Stock Holdings	73
Total Number of Bond Holdings	1
Total Number of Other Holdings	4
<b>Total Number of Holdings</b>	<b>78</b>

## Performance Analysis as of April 30, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.5	2.5	7.9	16.5	6.1	9.2	—	4.4	Fund
3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	—	Quartile
571	570	562	539	422	305	126	—	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 April 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.61	2.52	2.46	2.48	1.95	2.81	2.67	1.48	1.67	1.32	3.68
Interest	0.61	—	—	—	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	—	—
Worst	2-2009	-35.6	6-2010	-6.9	6-2012	-1.2	—	—
Average		6.1		7.7		7.8		—
No. of Periods		107		83		59		—
Pct. Positive		67.3		92.8		91.5		—

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

### Quarterly Commentary as at March 31, 2017

The Fund's performance this quarter was driven by holdings such as Crius Energy, Enercare and the Royal Bank of Canada.

Crius Energy is an energy retailer with a diversified footprint and exposure to the high-growth U.S. solar rooftop market. The company continues to improve its energy retail business by reducing costs and growing its customer base. Opportunities to significantly grow its solar business after integrating the acquired SunEdison assets and closing the Verengo Solar acquisition remain an intriguing prospect. In the meantime, investors receive an attractive and sustainable dividend, which continues to grow at 2% every quarter.

Enercare is one of North America's largest home and commercial services, and energy solutions companies. The company's recent acquisition of Service Experts continues to perform strongly, exceeding the original accretion expected by management. Enercare has rolled out their HVAC rental model to all of the Service Experts locations in Canada, and will begin rolling out in the U.S. in

the first half of 2017. The opportunity for value creation should originate from this U.S. rental rollout, as well as from small tuck-in opportunities.

Royal Bank of Canada has had a strong start to the year and is now trading at a premium relative to its Canadian peer group. The bank was able to post strong domestic results, despite not having the benefit of restructuring charges that its peers had. Furthermore, the accretion from the City National acquisition has been better than expected, with strong loan and deposit growth in the first quarter. Additionally, Royal Bank's leading capital markets franchise continued to post strong results.

During the quarter, we added Cineplex Entertainment and Tahoe Resources. We also raised our weight positioning in a number of stocks, including Brookfield Property Partners, Chemtrade Logistics and Franco-Nevada. We reduced our weighting in various stocks, including ATCO, Milestone Apartments REIT and Telus.

## 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 half-year period, April 1, 2016 to September 30, 2016, 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.

PH&N Funds Series A formerly known as Series C.

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, 2017.

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