

# 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	2,558.7
Series F NAV \$	105.68
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

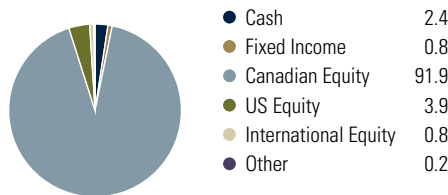
Fund Category	Canadian Dividend and Income Equity
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Management Company	RBC Global Asset Management Inc.
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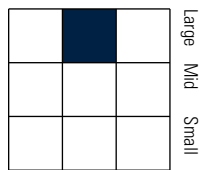
Web Site	www.rbcgam.com
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## Portfolio Analysis as of January 31, 2018

### Asset Mix



### Equity Style



Value Blend Growth

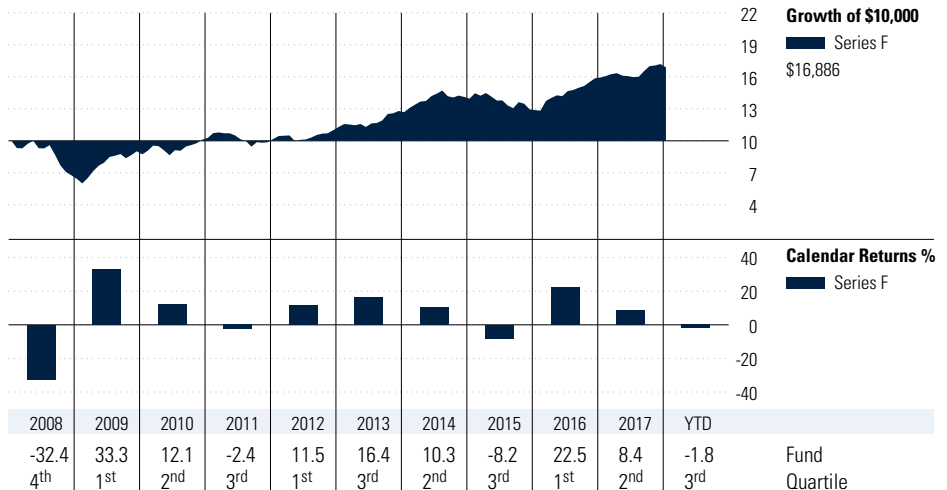
### Global Equity Sectors

Sector	% Equity
Financials	44.9
Energy	18.7
Industrials	9.0
Materials	5.3
Telecommunication Services	5.1
Consumer Staples	4.8
Utilities	3.9
Consumer Discretionary	3.8
Real Estate	3.0
Health Care	0.8
Information Technology	0.8
Unclassified	0.0

### Top 10 Holdings

Company	% Assets
Royal Bank of Canada	9.1
The Toronto-Dominion Bank	7.9
Bank of Nova Scotia	6.0
Canadian National Railway Co	4.5
Bank of Montreal	4.1
Enbridge Inc	3.6
Brookfield Asset Management Inc Class A	3.5
Suncor Energy Inc	3.2
CIBC	3.1
Manulife Financial Corp	3.0
Total % of Top 10 Holdings	47.8
Total Number of Stock Holdings	76
Total Number of Bond Holdings	0
Total Number of Other Holdings	5
<b>Total Number of Holdings</b>	<b>81</b>

## Performance Analysis as of January 31, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-1.8	-0.7	5.7	6.0	6.6	8.4	5.8	4.4	Fund
3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	Quartile
555	552	539	517	409	313	161	—	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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	4.68	2.52	2.46	2.48	1.95	2.81	2.67	1.48	1.67	1.32
Interest	—	0.02	—	—	—	1.95	—	—	1.48	—	—
Dividends	—	2.55	2.52	2.46	2.17	—	1.60	1.21	—	1.67	1.32
Capital Gains	—	2.11	—	—	0.31	—	1.21	1.46	—	—	—
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	1-2018	5.8
Worst	2-2009	-35.6	6-2010	-6.9	6-2012	-1.2	6-2017	4.1
Average		6.4		7.4		8.0		4.8
No. of Periods		116		92		68		8
Pct. Positive		69.8		93.5		92.6		100.0

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

### Quarterly Commentary as at December 31, 2017

The Fund's performance in the fourth quarter was driven by holdings such as Cardinal Energy Ltd., Canadian Imperial Bank of Commerce (CIBC) and Jamieson Wellness Inc.

Cardinal Energy had a solid quarter, which was further buoyed by strong crude oil price appreciation. We continue to expect the company to improve its balance sheet and lower its payout ratio, given its best-in-class decline rate, margin expansion and accretive asset sales. Attractive upside still remains as the company should continue to narrow its trading discount to peers.

CIBC also continues to narrow its discount to peers through positive operating results. Last quarter, earnings exceeded expectation as a result of strong credit, good expense control and solid earnings growth from the newly acquired PrivateBancorp Inc. (PVTB). In fact, PVTB had one of its best quarters across a number of key metrics, illustrated by strong loan growth. As long as the economic backdrop plays out in line with expectations, we continue to expect CIBC to perform well.

Jamieson Wellness continued its strong performance last quarter. The Branded businesses continued to deliver strong organic growth, driven by volume growth in both domestic and international markets. A recently launched cough and cold product is seeing good early reception. We remain confident in the company's prospects to outgrow the market due to new product launches and increased global market penetration, given its broad range of products for all ages and lifestyles.

During the quarter, we added Agnico Eagle Mines Ltd., Chartwell Retirement REIT, Jamieson Wellness and Neo Performance Materials Inc. We also raised our weighting in a number of stocks, including Enbridge Inc., Alimentation Couche-Tard Inc. and Tricon Capital Group Inc. We reduced our weighting in various stocks, including Cenovus Energy Inc., Restaurant Brands International and Brookfield Renewable Power Inc. We also eliminated our position in Trisura Group Ltd.

## 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, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 January 31, 2018.

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