

# PH&N U.S. Equity Fund

## Investment Objective

To provide significant long-term capital growth by investing primarily in a well-diversified portfolio of quality U.S. common stocks.

## Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5160

Inception Date	June 2007
Total Fund Assets \$Mil	606.9
Series F NAV \$	66.24
Series F MER %	0.77
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

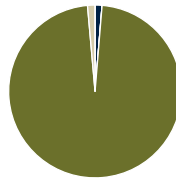
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of October 31, 2017

### Asset Mix

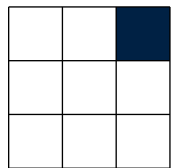


	% Assets
Cash	1.3
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.4
International Equity	1.4
Other	0.0

### Top 10 Holdings

	% Assets
Apple Inc	4.0
Amazon.com Inc	3.2
Microsoft Corp	3.2
Alphabet Inc C	2.8
JPMorgan Chase & Co	2.2
Berkshire Hathaway Inc B	2.2
Johnson & Johnson	2.0
Facebook Inc A	1.9
Exxon Mobil Corp	1.9
Aetna Inc	1.8
Total % of Top 10 Holdings	25.2
Total Number of Stock Holdings	288
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>291</b>

### Equity Style



Value Blend Growth

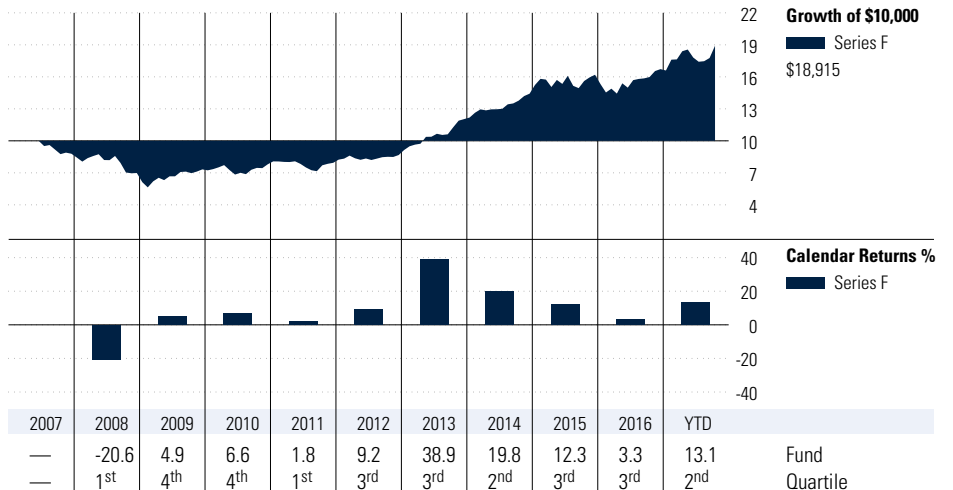
### Equity Statistics

P/B Ratio	3.0
P/E Ratio	22.3
Avg. Mkt Cap. \$B	137.5

### Global Equity Sectors

	% Equity
Information Technology	23.3
Health Care	15.6
Financials	15.1
Consumer Discretionary	12.1
Industrials	11.2
Consumer Staples	7.8
Energy	6.5
Materials	2.7
Utilities	2.4
Real Estate	1.8
Telecommunication Services	1.5
Unclassified	0.0

## Performance Analysis as of October 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
6.5	8.6	2.8	18.4	11.2	17.3	8.0	6.4	Fund
1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
1405	1385	1375	1310	874	527	246	—	No. of Funds in Category

# PH&N U.S. Equity Fund

## Management Overview

### Manager Bios

#### Stuart Kedwell

##### RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

#### Doug Raymond

##### RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

### Performance Analysis Cont'd as of October 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.65	0.51	0.75	0.44	0.29	0.28	0.28	0.39	0.30	0.28
Interest	—	0.65	0.51	0.75	0.44	0.29	0.28	0.28	0.39	0.30	0.28
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2013	40.1	7-2015	25.2	7-2015	18.1	10-2017	8.0
Worst	2-2009	-30.0	6-2010	-11.9	6-2012	-3.6	6-2017	5.9
Average		8.7		11.7		12.5		6.7
No. of Periods		113		89		65		5
Pct. Positive		77.9		83.1		89.2		100.0

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

### Quarterly Commentary as at September 30, 2017

The U.S. stock market made progress again this past quarter, rising 0.4% (in CAD terms). Strong performances from the Technology, Energy and Telecom sectors powered the advance while the Discretionary and Staples sectors detracted.

The S&P 500 is up roughly 10.3% since the November election of President Trump, but corporate fundamentals rather than politics have been the driving force for the market. After three years of essentially flat earnings, the S&P 500 is expected to generate roughly 10% earnings growth in 2017. It remains difficult to anticipate the forward path of U.S. fiscal policy— President Trump started his term with grand plans, but little has been implemented. Our indicators suggest that the odds of a recession remain fairly low, but the risks of a correction have increased.

The Fund underperformed during the quarter. The largest drag was in Industrials, particularly the

exclusion of the Boeing Company as it focused on reducing costs, while benefiting from Trump's defense and trade rhetoric. Energy was also a drag with an overweight position in Pioneer Natural Resources Company as it modified plans in the Permian Basin. Offsetting this weakness was Utilities, with overweight NRG Energy Inc. aiding returns.

Stocks continue to be supported by a global synchronized expansion and renewed corporate-profit growth around the world. While stocks are not as cheap as they were when the cycle began, they remain somewhat attractive relative to fixed income. Markets have benefited from rising earnings and price-to-earnings ratios through this bull market, but earnings rather than valuations may now be the force needed to propel the market higher.

## PH&N U.S. Equity 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 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 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 October 31, 2017.

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