

PH&N Balanced Fund

Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified, balanced portfolio of Canadian common stocks, bonds and money market securities. This fund also holds a portion of its assets in foreign common stock.

Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5350

Inception Date	December 2007
Total Fund Assets \$Mil	917.9
Series F NAV \$	20.03
Series F MER %	0.92
Benchmark	38% FTSE TMX Canada Universe Bond Index 30% S&P/TSX Capped Composite Total Return Index 26% MSCI World Total Return Net Index (CAD) 4% MSCI Emerging Markets Total Return Net Index (CAD) 2% FTSE TMX Canada 30 Day TBill Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

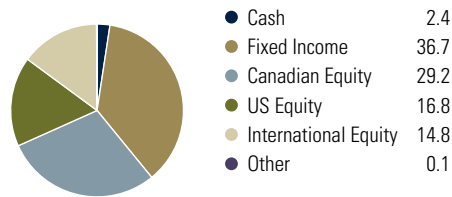
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

Portfolio Analysis as of August 31, 2017

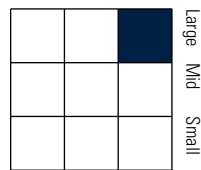
Asset Mix



Top 10 Holdings

Top 10 Holdings	% Assets
PH&N Bond Fund	36.8
PH&N Canadian Equity Underlying Fund	30.8
RBC Global Equity Focus Fund	19.9
RBC QUBE Global Equity Fund	6.7
RBC Emerging Markets Equity Fund	4.0
PH&N Canadian Money Market Fund	1.5
Total % of Top 10 Holdings	99.6
Total Number of Portfolio Holdings	7
Total Number of Stock Holdings	302
Total Number of Bond Holdings	347
Total Number of Other Holdings	151
Total Number of Underlying Holdings	800

Equity Style



Statistics

P/B Ratio	2.2
P/E Ratio	18.8
Avg. Mkt Cap. \$B	36.7

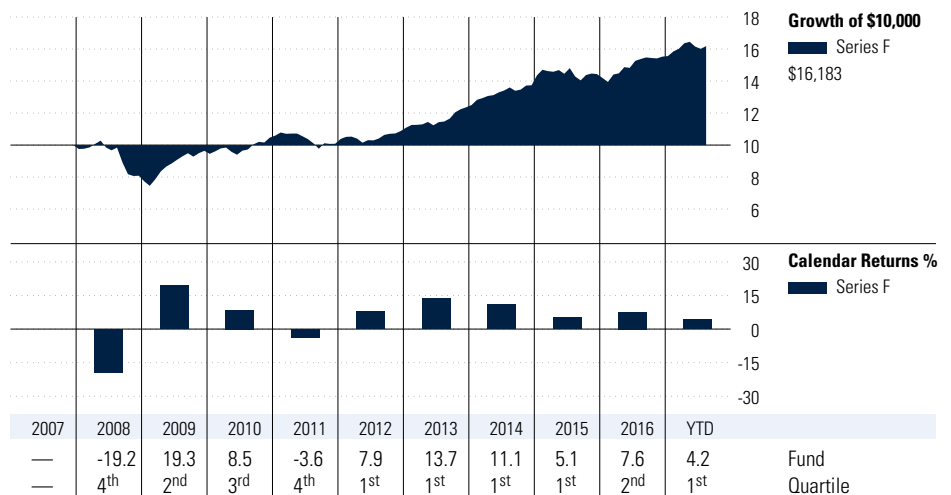
Top 5 Sectors

Top 5 Sectors	% Equity
Financials	28.6
Energy	14.0
Information Technology	11.2
Consumer Discretionary	11.0
Industrials	9.8

Fixed Income Breakdown

Fixed Income Breakdown	%	Characteristics	%
Govt. Bonds	71.8	Avg. Term to maturity (Yrs)	10.1
Corp. Bonds	25.7	Modified Duration (Yrs)	7.4
Other Bonds	1.0	Yield to Maturity	2.3
MBS	0.6		
Cash & Other	0.9		
ABS	0.0		

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 %
1.0	-1.6	2.1	5.2	6.0	9.2	—	5.1	Fund
1 st	2 nd	1 st	1 st	1 st	1 st	—	—	Quartile
646	645	634	617	468	352	149	—	No. of Funds in Category

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Management Overview

Manager Bios

Sarah Riopelle
RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charterholder.

Performance Analysis Cont'd as of August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.02	0.61	1.03	2.27	0.36	0.46	0.66	0.46	0.44	0.27	—
Interest	0.02	0.20	0.19	0.18	0.36	0.25	0.42	0.40	0.29	0.19	—
Dividends	—	0.16	0.17	0.16	—	0.15	—	—	0.15	0.07	—
Capital Gains	—	0.26	0.67	1.93	—	0.05	0.24	0.06	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	28.9	5-2015	13.1	2-2014	11.5	—	—
Worst	2-2009	-23.7	8-2011	0.9	12-2012	1.7	—	—
Average		6.5		7.4		7.5		—
No. of Periods		105		81		57		—
Pct. Positive		77.1		100.0		100.0		—

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

Quarterly Commentary as at June 30, 2017

The economic uptick that took root last year has continued to bloom and a synchronized global economic expansion is at hand, with leading indicators pointing to a faster-than-normal clip across much of the world.

The Fund's overweight position in equities and underweight position in fixed income had a neutral impact on performance. Global bond yields rose in June, reversing the trend in place since late 2016, as more central banks joined the U.S. in signaling that monetary policy would be tightened. The Fund's fixed-income segment had a positive impact on performance. The biggest contributor was the Phillips, Hager & North Bond Fund.

U.S. stocks rose, despite some deterioration in U.S. economic data, amid robust earnings growth. Canadian stocks underperformed other major global equity markets due to Canada's significant exposure to resource stocks. The Fund's global

equity positions contributed positively to performance, led by the RBC Global Equity Focus Fund. However, the Fund's sole Canadian equity holding, the Phillips, Hager & North Canadian Equity Underlying Fund, detracted from returns.

The portfolio manager is budgeting for a bit faster global economic growth over the next few years than has been the case in the recent past, and expects bond yields to rise over the long term. However, fading confidence in President Trump's ability to bolster growth and generate faster inflation has recently weighed on yields, reintroducing the fixed-income valuation risk that had been alleviated shortly after the election. U.S. profit growth is recovering from a two-year decline and, if earnings continue to rise as analysts expect, the total-return potential for stocks remains quite positive, accounting for our equity overweight.

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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.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the fund manager and the principal portfolio adviser of PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of

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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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