

# 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	922.1
Series F NAV \$	20.27
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

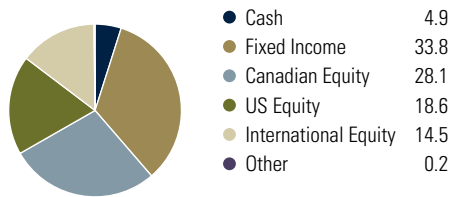
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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 April 30, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Top 5 Sectors

Sector	% Equity
Financials	28.0
Energy	14.1
Information Technology	11.9
Consumer Discretionary	11.3
Industrials	10.2

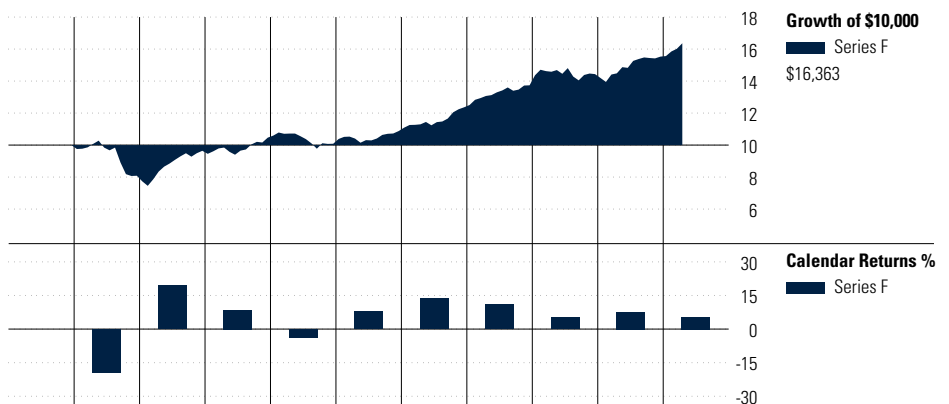
### Fixed Income Breakdown

Category	%	Characteristics	%
Govt. Bonds	60.9	Avg. Term to maturity (Yrs)	9.5
Corp. Bonds	31.3	Modified Duration (Yrs)	6.9
Other Bonds	0.5	Yield to Maturity	2.1
MBS	0.5		
Cash & Other	6.8		
ABS	0.0		

### Top 10 Holdings

Holder	% Assets
PH&N Bond Fund	35.1
PH&N Canadian Equity Underlying Fund	30.1
RBC Global Equity Focus Fund	20.8
RBC QUBE Global Equity Fund	6.9
RBC Emerging Markets Equity Fund	4.0
PH&N Canadian Money Market Fund	1.5
RBC High Yield Bond Fund	1.0
Total % of Top 10 Holdings	99.5
Total Number of Portfolio Holdings	8
Total Number of Stock Holdings	301
Total Number of Bond Holdings	1,681
Total Number of Other Holdings	142
<b>Total Number of Underlying Holdings</b>	<b>2,124</b>

## Performance Analysis as of April 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
Return %	—	-19.2	19.3	8.5	-3.6	7.9	13.7	11.1	5.1	7.6	5.4	—
Rank	—	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	—

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return %	2.2	5.1	6.0	13.0	7.8	9.5	—	5.4	Fund
Rank	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	—	Quartile
No. of Funds in Category	669	669	663	636	495	360	148	—	—

# PH&N Balanced Fund

## 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 April 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.01	0.61	1.03	2.27	0.36	0.46	0.66	0.46	0.44	0.27	—
Interest	0.01	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		7.3		—
No. of Periods		101		77		53		—
Pct. Positive		76.2		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2017

Global economic growth firmed, with a pickup in the Eurozone starting to factor into the expansion. In March, the U.S. Federal Reserve boosted its benchmark interest rate for the second time in three months, reflecting optimism about economic growth. However, longer-term U.S. bond yields fell on concern that President Trump might have trouble winning approval for his proposed economic reforms.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Canadian, U.S. and U.K. bonds posted gains, while the improved outlook for the Eurozone resulted in losses for the region's government bonds. The Fund's fixed income segment had a positive impact on performance. The biggest contributor was Phillips, Hager & North Bond Fund.

Major equity markets rose, led by Europe and emerging markets, amid optimism that economies around the world were gathering momentum. All of the Fund's equity holdings contributed positively to the portfolio's performance, led by RBC Global Equity Focus Fund.

Leading economic indicators are at their best levels in several years, economic surprises have been overwhelmingly positive and profits continue to recover. As a result, risk assets have performed well. We expect bond yields to rise, resulting in low or potentially negative returns over the years ahead, and we therefore remain underweight bonds. Long-term expected returns for stocks are more attractive, accounting for our equity overweight position.

## PH&N Balanced 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.

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 and BonaVista Funds. The principal distributor of PH&N Funds and BonaVista 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 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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